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Contents

The Week 29

Editorials

Drought Shifts the Scenes..... 32
Mr. Roosevelt's Intentions..... 34

General Articles

Wall Street Kisses Congress Goodbye..... Max Lowenthal 35
Upton Sinclair and His E.P.I.C. ..... Carey McWilliams 39
Fascism in England.....H. N. Brailsford 42
The President Comes to Our Town..... Richard L. Neuberger 44
Washington Notes.....T. R. B. 45
Other People's Money.....John T. Flynn 46
On the Labor Front.....William P. Mangold 47
Texas Lights: VI.....Stark Young 48

Correspondence 49

Books in Review

Angry Author's Complaint.....Malcolm Cowley 51
The Price of Peace..... Henry Pratt Fairchild 52
After the Curtain.....Byron McGrath 52
Red China.....T. A. Bisson 53
Angry Man.....James Neugass 53
Mencken on Morals.....Conrad Aiken 54
Our National Ledger.....Horace Taylor 54
Books in Brief..... 55

The Week

THE great campaign for home repair and modernization is now in full swing. Eighteen thousand banks are ready to make loans for these purposes to people who otherwise could not get the money, and the government guarantees them against loss up to 20 percent, as well as discounting the home owner's paper if desired. The loans may be paid off on the instalment plan, and may be as large as $2,000 in each case. The government has set aside $200,000,000 for its guarantee fund, which means possible repairs and renovations up to $1,000,000,000, which might employ 5,000,000 men. It remains to be seen whether all the vast ballyhoo with which the campaign has started will have any effect; whether people have abstained from repairs and renovations because they could not borrow the money, or because in times of such economic stress as these they did not want to make the expenditure at all. It is well known that this campaign was a substitute for a real effort at a government housing program; it is also well known that many persons in Washington are skeptical about it and that if it does not produce results promptly, it will be scrapped in favor of something else. In no way does it solve the problem of those millions who now live in substandard dwellings; it is chiefly a scheme by which to induce the middle class to undertake repairs that normally would have been made during the past few years but have been postponed because of hard times. If successful, it will aid to a slight extent the durable-goods industries which have been hardest hit by the depression and must be bettered in one way or another before a return of prosperity can be expected. If it fails—and we do not see how it can do anything else—the government will have no alternative except to face once more the possibility of a real housing program at which it has so often balked in the past eighteen months.

THE President's order commandeering stocks of silver at a price of 50.01 cents per ounce fundamentally amounts to just two things. In the first place it bails out an assorted group of people who bought silver from 30 up to 45 cents per ounce in the fear, or hope, of inflation and have so far been disappointed. Before the President's order, silver was selling at about 48 cents but the large holders could not have unloaded their stocks without shattering the market. The Treasury will now take care of them. The other function of the order is a piece of magic: the hope that the gesture will revive a little "inflation psychology." After all, seizing gold a year ago seemed to have some such effect, maybe seizing silver now will turn the trick again. It gets hard at times to find a new policy that will do something, but a magician's hat is inexhaustible. The concrete monetary effects of the seizure are almost negligible. Coining the whole mass of silver in the country, perhaps 250,000,000 ounces, will little more than equal the monthly fluctuations of Federal Reserve note circulation. The effect of even that will be reduced; for any increase in circulation of silver certificates will be largely offset by automatic reductions in other types of currency.

HOW high the Nazi movement had reached in Austrian government and administrative circles, is shown in the list of tentative ministers for the

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Rintelen government that was to follow the Nazi *putsch*. There were active generals of the Austrian army, the recently elected "non-partisan" rector of Vienna University, high adminstrative and police officials, judges and the general director of the Alpine Works, the largest Austrian industrial corporation. The *putsch* was by no means what it at first appeared to be—an ill considered adventure staged by a handful of irresponsible youths. Actually it followed a carefully worked out plan. Documentary evidence seems to prove, however, that its birthplace was not Berlin but Munich—the headquarters of that most rabid of all Pan-Germanists, Rosenberg.

THIS does not entirely eliminate the possibility that Hitler may have known something of what was afoot, or may even have taken an active part in the preparations of the uprising. But the probabilities are against it. Hitler when he visited Venice had promised Mussolini that he would refrain from active propaganda in Austria and under existing conditions it was political wisdom to keep his word. But Rosenberg, Habicht and Frauenfeld were as unwilling to be set aside as Röhm and Heines had been. They continued their terrorist propaganda until the murder of Dollfuss forced Mussolini to issue an ultimatum, giving it added weight by concentrating his troops along the Austrian frontier. When the Nazi propagandists refused to abide by Hitler's agreement after von Papen had been accepted by Vienna, the Chancellor ordered their arrest, probably as a dramatic bid for reconciliation with the Austrian government. The Schuschnigg Cabinet, for its part, is trying to arrive at a working agreement with the Social Democrats on the basis of which it may venture to order a national election. Socialist leaders have been released. There are to be elections early in 1935 in which the Socialists in Vienna and in the larger industrial centers, but not in the rural sections of the country, may be permitted to place in nomination and vote for their own candidates. A reorganization of the trade-union system is under consideration.

FROM the emphasis with which the German government has set its machinery into motion for the plebiscite of August 19 the conclusion is inevitable that her rulers are by no means so sure of their position as they would have the world believe. Unquestionably the large majority will cast their votes for the merging of presidential and ministerial functions in the hands of the "Leader-Chancellor." But it will not be a vote "by acclamation." Dispatches report mass distribution of anti-government leaflets in all parts of the Reich urging the electorate to vote "no" on the referendum. Evidently the government does not dare operate with its usual terrorist methods. Goebbels' propaganda factory must work the more intensely in its effort to direct public opinion. The Reich has lost much of its self-assurance since it ate crow in the matter of Austria and backed down before Italy's provocations. All the more reason to play the strong man where this can still be done with impunity. A note goes to Lithuania objecting to alleged violations of the rights of the German-speaking population of Memel. A protest to Sweden follows, objecting to the disparaging tone in which a number of Swedish newspapers have seen fit to speak of the "Führer." The Soviet Union, which not two weeks ago was vigorously called to account for permitting the public prosecutor to bring charges of sabotage and espionage against the highly respectable firms of Krupp, Demag, Klein and others in the course of the Ural-Machtray trial, received a second protest note last Saturday. This time it was Russia's refusal to tolerate the anti-Soviet propaganda of the agents of so-called relief organizations for the Germans of the Volga region and the Ukraine which aroused the ire of the Wilhelmstrasse. Behind it all is the understandable desire to create an impression of undiminished militancy, of prestige untarnished by worries at home and reverses abroad.

ANOTHER mystery of the San Francisco longshoremen's strike was brought out in the recent inquest into the deaths of Howard Sperry and Nicholas Boredeis, who were killed on July 5 during the police attacks that accompanied the Industrial Association's attempts to open the port with force. Like so much connected with the strike, the inquest was inadequately reported in the newspapers, and the exact circumstances of the deaths have not yet been made clear. The official verdict was that Sperry and Boredeis were killed by an unknown police officer—"a man wearing a gray suit and a brown hat"—acting in the performance of his duty. But conflicting testimony, offered by a greater number of witnesses, indicated that they were shot by a plainclothesman who simply stepped from his car, took aim, and fired into a closely packed group of unarmed and inactive men. The official verdict was based on the testimony of police officials and three employees of the Southern Pacific Railroad who saw the shooting from a nearby office. Nineteen eyewitnesses, however, including employees of a service station which was in the line of fire and many who were in the crowd, have sworn affidavits presenting an account roughly as follows: a police car stopped near the intersection of Stuart and Mission Streets, two doors from the International Longshoremen's Hall, where a crowd of strikers had gathered following the conflicts in the vicinity of Rincon Hill. Shouting something, but giving the men no opportunity to disperse, the plainclothesman fired point-blank into the crowd. Although the police and a few others swore that rocks had been thrown at the car—one witness claiming to have seen a rock strike the officer on the leg—the majority of those testifying and the majority of those who have sworn affidavits declared that no rocks were thrown at the police and that no provocation of any kind was offered.

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A SIGNIFICANT point established was that while the officer supposedly employed a sawed-off shotgun, and fired at extremely close range, the slugs mushroomed and penetrated with more deadly effect than is usually the case with shotgun slugs: Boredeis was killed with only one slug in his lung, and there were but two in Sperry's body—a circumstance supporting the belief that the authorities were making use of the strike to test newly developed ammunition for dealing with riots. Another point is that Boredeis, who had been injured in the demonstration of May 30, had been warned that he would be killed if he returned to the waterfront. Since the men who were killed and injured were shot in the back, and since the evidence indicated overwhelmingly that no provocation was offered, it seems clear either that the phrase "performance of duty" suggests a new concept of the duty of the police, or that investigation of a double murder is necessary. At the inquest the officer who shot the men was not identified, police officials testifying that he shot in the performance of his duty and also that they did not know who he was. It is widely said, however, that he was recognized by individuals in the crowd; and of the two rumors concerning him, one is that he has been transferred to another city and the other that he was recently wounded in an attempt on his life.

IN THE New Republic of April 18, 1934, appeared a review of "Just Plain Larnin'," a novel by James M. Shields, published by Coward-McCann, New York. Mr. Shields, principal of a school in Winston-Salem, North Carolina, for the past thirteen years, told in his book of the tyranny exercised by conservative boards of trustees over schoolmen who try to tell the truth about "disagreeable matters" such as economics. The reviewer, William McAndrew, former superintendent of schools for Chicago, corroborated Mr. Shields' view and praised his book warmly. Now Mr. Shields has an object lesson of his own to put into his next book. He has just been removed from his post for no assigned reason, and at a time of year when it is particularly difficult for an educator to obtain new employment. He believes he was dismissed for his political and economic views, and for expressing them as he did in a book that attracted nationwide favorable attention. The city school board, after at first trying to pass over the matter in silence, has done the expected thing and denied that Mr. Shields' book had anything to do with his dismissal. It says that he was removed because the board understood that he was "trying to obtain a position in the North." We doubt whether there is one intelligent person in Winston-Salem who believes this explanation. Long before his dismissal, citizens of that community had been predicting that his frankness in discussing local situations under thin fictional disguise would cost him his position. The school board has acted as might have been expected, not only in Winston-Salem but in almost any other community anywhere in the country. There is precious little free speech for teachers at present, and there won't be until several things have happened, first of which is that educators as a class shall wake up and fight for their rights as citizens and human beings.

THE strike of 15,000 aluminum workers, more than half of them employed by the Mellon interests, is interesting for several reasons. Among them is the fact that William Green, president of the American Federation of Labor, authorized the strike, which was called directly from the Federation's Washington headquarters. Another reason is that the aluminum companies, unable to break the ranks of their unionized employees with company unions, had been meeting with grievance committees of the genuine unions—meetings which, however, proved farcical. Nothing vital ever happened in them; the managements argued that by merely meeting with the workers' representatives they fulfilled their obligation to allow collective bargaining—which is certainly a clear violation of the intent of the law, if not of its text. The strike came after unsuccessful conferences between aluminum interests and the National Labor Relations Board. Now the workers are wondering whether the action of the A.F. of L. president is a sop to the restless rank-and-file members of the union, whose discontent with their leadership has been growing, or whether it indicates the Roosevelt administration's intention to force a showdown on labor relations in an industry dominated by Mr. Hoover's Secretary of the Treasury. Time alone will tell which, if either, of these conjectures is correct.

THE Anaconda Copper Mining Company uses iron-fisted methods on workmen in its Butte, Montana, mines. Before the present strike, two miners working in temperatures over a hundred degrees in air contaminated by gas and dust, and loading thirty-five tons of ore per shift, received $50 a month for half-time work. Under the N.R.A. the pay was cut 15 percent, and the miners and all affiliated craftsmen walked out. Now, after a three-months' shutdown, "the richest hill on earth" bristles with firearms and fortifications. Cupolas, reinforced with steel sheeting and perched on high ore dumps, display searchlights and machine-guns. At night, bullet-proof cylinders above the gallows frames send out threatening fingers of light. Hundreds of "gunmen," including ex-sheriffs, ex-policemen, cowboys and others of unquestioned toughness, guard the company's properties with revolvers and sawed-off shotguns, while the people of Butte, standing outside their unpainted, tumble-down houses, shout imprecations at them. Silicosis and overwork, they tell you, kill a Finn in seven years, a Swede in ten years, and a "Cousin Jack" in twenty—and no compensation. The company, bewailing a six-million-dollar loss for the year, finds public sentiment overwhelmingly against it. Merchants

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refuse supplies to scabs; public officials, who are always useful weather vanes, protest the company's high-handed methods; seven miners accused of violence by the company papers are suing for damages totaling $325,000, and a labor parade has brought out the surprisingly large number of 9,000 union men.

SINCE last June, when he impetuously fired John Donovan, head of the N.R.A. Employees' Union, General Johnson has maintained that the dismissal was for "inefficiency and insubordination." It seems a pity, accordingly, that the General did not make the most of the opportunity to substantiate his position last week when the case came before the National Labor Relations Board for arbitration. Instead, the attorneys representing Johnson at the hearing made repeated efforts to block all testimony relating to Donovan's efficiency. Such testimony, they held, was irrelevant. Finally, after an imposing case had been built up on Donovan's behalf, Jack Scott, attorney of the N.R.A. legal staff, told the board: "General Johnson will make no point as to Donovan's efficiency previous to his dismissal. We will rely on his conduct at the time and subsequent to his dismissal." Incredibly and absurdly, the logic of this statement declares that Donovan was dismissed because of conduct after his dismissal —or at least that conduct after his dismissal is the reason why he won't get his job back. Admittedly, this is a new and strange species of "inefficiency and insubordination."

MEANWHILE, the Labor Board has before it the main facts of the case. During the hearings, which lasted nearly eight hours, it heard that Donovan was discharged while he was leading a delegation to General Johnson's office to ask for the reinstatement of another union member. In brief, he was fired while he was engaged in union activity. Most impressive of all the testimony, perhaps, was the story related by the officials of the International Brotherhood of Paper Makers. They were unable, they said, to get satisfactory labor provisions in the Paper and Pulp Code from the Labor Advisory Board. Finally, with Donovan's assistance (he was a technical adviser on the board's staff), they appealed over the head of Dr. Leo Wolman to Secretary Perkins. As a result, they obtained new wage scales ranging as high as 33 percent above the standards that the Advisory Board had already approved. At the close of the hearing, the board announced that it would give General Johnson an opportunity to testify if he so desired—he failed to appear at last week's hearing—otherwise, the case would be decided on the evidence already submitted. On the basis of this, it would seem that the board can hardly do other than recommend Donovan's reinstatement—a thing General Johnson has said "could never happen." Perhaps it can't. Will the board then be forced to take Johnson's blue Eagle away?

A FEW weeks ago, Charles Maurras, the brains of the French Royalists, publicly boasted that "if the French spirit still resists the dangerous progress of the Swastika Cross [German Fascism] in North Africa, it is only thanks to the logical anti-Semitism propagated in that province by the Royalists." This cynical statement leaves little doubt about the character of the propaganda responsible for the savage attack on the Jews in Constantine, where more than thirty persons lost their lives. But propaganda needs favorable ground on which to develop. This ground has been prepared by the severe agricultural crisis which Algeria, like other countries, has suffered in recent years. Low prices of wheat and wine, foreclosures and heavy unemployment have created a strong feeling against France among the natives, who have been ruthlessly exploited by the well known colonial methods. At the time of the change of government in Paris last February, unrest in Algeria attained such proportions that a special commission was appointed to study the situation and take preventive measures. Little was done, however, and that little was chiefly for the benefit of French owners of big estates, who pay their native labor starvation wages. Unrest is accentuated by the fact that the native Moslems are not treated as citizens, though compelled to bear all the obligations of that status, including military service. The Jews are only five percent of the population, are loyal to France, and for that very reason are ideally fitted to play the role of scapegoat. No one would be surprised to learn that the French landowners had coöperated with the Royalists to divert the anger of exploited natives away from themselves and toward the Jews.

Drought Shifts the Scenes

THE Agricultural Adjustment Administration was entrusted by law with two major tasks: first, to restore as nearly as possible the pre-war parity between the prices of major crops and industrial prices by means of crop restriction; second, to regulate the food-processing and distributing industries in order that the price increases might not be absorbed in profits at the expense of the farmer on the one hand or of the consumer on the other. The drought has now assured unexpectedly prompt and complete success in the first aim, but it underlines the failure of the administration to achieve the second. Few if any of the important industries dealing with agricultural commodities are under effective regulation; in many cases prices to consumers were raised more than the increased cost of their materials would warrant, even before there was any hint of possible shortage. With the boosts in crop prices now in view, authorities in the administration itself have warned of the dangers of profiteering and unfair increases in the cost of living.

The Consumers' Guide, published by the Con-

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sumers' Counsel of the A.A.A., prints figures in its issue of July 30, 1934, showing what has already happened to certain textile products. In the year between July 27, 1933—before the cotton reduction program went into effect—and July 3, 1934, the price received by the grower of the raw cotton in a sheet was increased from 19 cents to 22 cents, but the retail price of the sheet went up from 99 cents to $1.31. The price of the cotton in a pair of overalls went up from 21 cents to 24 cents, the retail price of the overalls increased from $1.09 to $1.60. The cotton in a work shirt brought the farmer 9 cents a year ago, and 10 cents this year; but the price of the shirt rose from 73 cents to 91 cents.

The textile industry was specifically placed under the control of the N.R.A. from the very beginning. Other industries dealing in agricultural products were later transferred to it. We all know the story of price control under the N.R.A.—how the several industries were, under the codes, allowed to set virtually any prices they pleased, exempt from the anti-trust laws and without effective government supervision on behalf of the consumers. But even in the cases of agricultural industries not transferred to the N.R.A., figures in the annual official report on agricultural adjustment show that prices to consumers have increased far more than the prices of the product plus the processing taxes would have warranted.

Processors and distributors contend, of course, that these additional margins are necessitated by increased labor costs. Are they? Nobody can prove it, and there is considerable doubt that labor costs account for anything like the price increases that have taken place. Such statistics as exist do not bear out the contention. In addition, the rapid growth of industrial and commercial profits suggests that something besides the limited gain in volume of output has occurred to increase owners' returns. Profit margins have probably widened as well. In order to check up on such matters, it would be necessary to have careful accounting and statistical reports, under government supervision. Good accounting and adequate statistical reporting do not exist under N.R.A. codes. The public has no means of checking what is going on.

It is this very issue that accounts for the lack of codes under the A.A.A. The industries processing and distributing agricultural products, and hence legally subject to it, are supposed to be codified, as those under N.R.A. have been. The process of developing a code under the Agricultural Act is, as far as the law is concerned, very similar to the process described under the Recovery Act. Industries are supposed to submit drafts to the administration. The A.A.A. reviews the code, and accepts it only if it is satisfactory. If no agreement between the industry and the administration is reached, the A.A.A. can impose a code on the industry in question and enforce it by a licensing system. In this respect its powers go somewhat beyond those of the N.R.A. None of the important codes submitted to the A.A.A. was satisfactory to it; most of them were found lacking in this very matter of accounting and statistical controls. Private industry has refused to reveal its figures and supply a basis for regulation of prices—and hence of profits. And the Agricultural Administration has not used its power to license industries under such regulations as it saw fit to devise.

This conflict has been at the basis of much of the turmoil within the A.A.A. and of the attack by conservatives on Under-secretary Tugwell and other members of the "brain trust." The economists in the Agricultural Administration were strongly in favor of adequate protection of the consuming public. A number of the practical administrators were not willing to attempt to coerce private business. The general administration theory of "coöperation" and conciliation prevailed. Mr. Peek, a conservative on this question, was removed, while all but the industries engaged in the first processing of crops were transferred to the N.R.A., where, of course, they escaped the type of regulation favored by the A.A.A. economists. And in the first-processing industries no further progress toward agreement has been made, while no compulsion has been applied. It was Mr. Tugwell's recent outburst against these recalcitrants that brought down on his head the latest denunciations of the conservative press.

All this time, the only protection of the consumers has been in the publicity emitted by the A.A.A. Consumers' Counsel. It has had little effect. Will the A.A.A. continue to rely on publicity—based on grievously inadequate knowledge of the facts—to prevent profiteering, now that the drought promises to send food prices rocketing? If not, it will have to proceed at once to take decisive action, in order that the controls may be set up before it is too late. It takes time to develop an adequate system of accounting and reporting. Even if the job had been begun a year ago, the system would scarcely be in working order before the price situation becomes acute. In addition, the President will have to see that the textile and other agricultural industries under the N.R.A. are subjected to adequate control. And if the administration were resolved on a real new deal in the processing and distributing industries, it would have to do much more than this. It would have to prepare to reorganize them from top to bottom, eliminating the distributive wastes that undoubtedly exist, and that in the end take a much larger toll then even exorbitant profits.

The drought has suddenly shifted the scenes. Heretofore the administration has concentrated its thought and effort on raising the money incomes of farmers and wage-earners. Now it will have to act energetically on the other component of their real incomes—the prices they pay—if it is not to be deafened, a few months hence, with popular outcries about the high cost of living.

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Mr. Roosevelt's Intentions

PRESIDENT Roosevelt's railway trip across the United States was marked by a series of public addresses, most of them brief and seemingly impromptu. None of them contained either statements of new policy or the announcement of new action under old ones—though the press, making dangerously broad assumptions about a polite reference to Senator La Follette, has decided that the President is prepared to support the new Progressive party in Wisconsin. On the whole, the public reception of these speeches has been much the same as has greeted Mr. Roosevelt's previous pronouncements: the conservatives have denounced him as a wild radical; the radicals have said that he is really a secret agent for Wall Street, who is preparing the ground for an American fascism. As usual in these matters, the truth lies about half-way. There is no doubt that Mr. Roosevelt would like to see the United States made over, with greater security and a higher standard of living for the common man. The question that remains unanswered after a year and a half of his administration is whether he is prepared to pay the price for such a development.

Certainly thus far he has given no solid evidence that he is. In every crucial issue he has temporized, has compromised, has found a politician's way of keeping the appearance of successful reformation while in most cases letting its reality escape. In his Green Bay speech he gave a list of the successes of his administration; but it would be possible to put beside each of its items a reservation almost as important as the item itself. Thus, he referred to the fact that workers have achieved their rights under the N.R.A.; he might have added that the government support of them has been half-hearted, to say the least, and that nearly all their gains have come in industries where unionism was already strong and that millions have made no gains whatever. He spoke of putting the golden rule into the temples of finance, but he might have added that much of this golden rule has been withdrawn again in the modifications of the Securities Act and the weaker version of the Stock Exchange Law that was finally accepted. He mentions the increased confidence of savings-bank depositors without adding that most experts regard federal deposit insurance as a scheme of extremely doubtful value, and that in the spring of 1933 the government unquestionably missed a golden opportunity to reorganize the American banking system from top to bottom. He failed, in his speech, to mention the fact that there are still at least 10,000,000 unemployed, and that their number is now increasing; that the N.R.A. has in general meant the cartelization of industry, monopoly and price fixing in the interest of the manufacturer; that the increase in the cost of living has checked the already insufficient increase in purchasing power for great masses of the population, including most of those whose nominal money wages have been raised; that the C.W.A., which gave the unemployed a chance to do honest work for real, if in most cases miserably low, wages, was abolished; that with all the ballyhoo about public works, money has never yet been spent on a sufficient scale with sufficient rapidity to serve the "pump priming" purpose for which the program was invented; that private real-estate interests have thus far successfully blocked the one great useful social expenditure, new housing for the poor. It would, of course, be absurd to expect the President to mention these things; by a simple law of human nature, he looks upon the bright side in surveying the results of his administration. Nevertheless, a balanced picture requires that they be taken into consideration.

It is now clear to everyone that early last spring President Roosevelt turned rather sharply to the right. In effect, he said to the conservatives: "You have been complaining that the federal government's acts have been halting the normal process of recovery. All right; at least for a limited time, we shall give you most of what you want." It is also clear that beginning almost from that moment, business turned, and has since continued, downward.

The next few weeks, therefore, will be unusually interesting and important. Will the President continue to yield on the chief issues to dominant industrial and financial groups? Or will he take the advice of John Maynard Keynes and others, and try once more to push out government money in large enough quantities to furnish a back log of consumer purchasing power? We do not believe that anyone knows the answer to this question, including the President himself. He is still operating, according to his famous figure, like a football quarterback who decides each play on the impulse of the moment. To some extent, he tries to follow the mood of public opinion, and no one is better than he at sensing quickly its intangible drift. If the New Deal is to be kept new, and if it is ever to be made over into that newer deal which this country so urgently needs, it is imperative that every force of public opinion be marshaled in support of such a development. As it is, the Tories have the battalions—and know well how they should be used.

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Wall Street Kisses Congress Goodbye

EVER SINCE the end of May some of the most important necks in Wall Street have been craned. Their owners have been intent upon the voyage of an intrepid band of their fellows. The voyagers—bankers, brokers and corporation directors connected with a big New York corporation known as the B.M.T., officially the Brooklyn-Manhattan Transit Corporation, were bound for a shore desired by almost everyone of consequence in the Street. On that shore, so hope the men who have been adventuring to reach it, is to be found a rich treasure—freedom from the obligations and liabilities of the Securities Act.

The corporation owed some banks millions of dollars. The orthodox method of taking care of the banks is to create a bond issue, sell the bonds to the public through bankers and thus pay off the bank loans with the public's money. The directors of the B.M.T. created $8,000,000 of bonds. Then they sold the bonds to bankers, who proceeded to sell to the public.

But the directors and the company's bankers wanted to steer clear of the Securities Act of 1933. Congress had directed that offerings of securities shall be registered in Washington, that the directors and bankers of the issuing corporation must tell the facts about those securities, and (most distressing of all) that if they fail to do so, the investors may subsequently transfer to them the bag, which investors have immemorially been privileged to hold. But Congress itself exempted certain types of offerings, including some intrastate transactions, from the requirements of the Securities Act. Suppose a small business man in a small town invited half a dozen friends by word of mouth (not by mail) to sit around his kitchen stove and chip in enough to start a thousand-dollar business. Congress would not care to make him register in Washington the few shares of stock he issued to his cronies.

The Kitchen Stove in Wall Street.—To be sure, the directors and bankers of the B.M.T. had not previously done business in that fashion. The corporation controls over 800 miles of track in New York City, transports more than a billion passengers a year, controls a third of a billion dollars of assets, and has outstanding in the hands of the investing public $147,000,000 of bonds. None the less the bankers sold their new bonds purely by word of mouth, avoiding Mr. Farley's postal system as though it were the plague. The bankers would not even sell a bond, if they could help it, to anybody outside New York State. The bankers let it be known, at once, that no evasion of the Securities Act was intended. They jettisoned long established practices only because these might be embarrassing. As The New York Times pointed out, "they are not acting as a syndicate, which would have been the procedure immediately before the passage of the law, but as individual firms." It was worth while going to all this meticulous avoidance of the mails and observance of geographical lines. It saved the corporation's bankers and directors from the bother of registering their $8,000,000 bond issue in Washington.

The sale to the bankers, and their initial resales, took place toward the end of May. Once this was done, the wary pioneers on the company's directorate and in its banking group lay low for a short while. The probable explanation for this caution becomes clearer if one considers the steps ordinarily taken by bankers in distributing securities. In the days before the Securities Act, distribution was effected in various ways. One method was for bankers to make a public offering, first preparing a prospectus telling something about the new securities. Unfortunately, that method might subject the bankers and directors to the impositions of the new law. Another method was that of distribution through the agency of the New York Stock Exchange: no prospectus would be prepared, no public offering would be made, but there would be buying and selling of the new securities on the Exchange every day, and the public would see this activity and come in to buy. Usually, the men selling to the public would peg the price on the market until they had disposed of their holdings.

But in order to enjoy the fruits of this customary mode of dealing with the public, it is necessary to obtain the permission of the Stock Exchange to use its market place and its mysterious mechanisms. And one cannot obtain this permission without publicly asking for it. In May of this year, and so long as Congress remained in session, while the B.M.T. issue was being sold by word of mouth, there was especial danger that Congress might resort to blunt comments if it became known that the B.M.T. had submitted its application to the New York Stock Exchange. The legislators might get the notion that the application was made to pave the way for pool operations, or public distribution in the nature of pool operations. Criticism might have been directed at the B.M.T. group even if the bankers had disposed of all their holdings some time before application was made to the Stock Exchange.

The Perils of Pioneers.—Some of the more eager spirits in downtown New York, safe in their ringside seats and impatient to have the great experiment of the Transit Corporation become a completed precedent that they might adopt for

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themselves, may have felt that the company's directors and bankers were timid. It was well enough for anyone who had never occupied a hard seat in a Senate Committee hearing to talk about timidity. A number of the directors and bankers of the corporation had already traveled to Washington with a subpena in their hands, and been subjected to inconvenient questioning.

Senators had been so critical, in other matters, of certain of these directors that the board of the B.M.T. ran very great risk of prompt condemnation on the floor of the Senate if, while that body was still in session, the corporation took too pronounced a step toward finding a way around the Securities Act of 1933. For instance there was the evidence about the head of the corporation, Mr. Gerhard M. Dahl, and one of his chief colleagues on the board and executive committee, Mr. Albert H. Wiggin. The Senate Banking Committee probed into the subject of stock dealings by insiders who took advantage of their favored position. Ferdinand Pecora, Senate Committee counsel, asked Mr. Wiggin about his sale of B.M.T. stock holdings back in 1932. He was then chairman of the B.M.T. finance committee, and as such had great influence with the Board in determining its dividend policy. Before the directors met he concluded that the company would have to stop paying dividends, and at once, in advance of the directors' meeting and without telling the other stockholders about it, he sold his stock. At the same time, Mr. Wiggin's bank unloaded big blocks of Mr. Dahl's stock, which the bank held as security for loans to Mr. Dahl. Within a few days after these sales, the stock had tumbled to half the prices realized by Messrs. Dahl and Wiggin, and the dividend had been passed, just as the chairman of the company's finance committee had foreseen. Mr. Dahl insisted that the bank had acted against his will.

Had Senators once begun their attack on the B.M.T. by recalling other incidents in the financial careers of certain of its directors they might have turned to the record of Mr. Frederick Strauss, director and member of the B.M.T. executive committee. The Senate Finance Committee had him down to Washington, to tell about his firm, J. and W. Seligman and Company, and their famous flotation of $90,000,000 of Peruvian bonds, now selling at less than 10 percent of that amount.

Another B.M.T. director whose financial activities might have been discussed with embarrassment to the B.M.T. board, if its affairs had become a target for senatorial criticism, was Charles Hayden of Hayden Stone and Company. The Senate testimony showed that he had engaged in trading or pool operations even in the stocks of companies of which he was a director. Another prominent director, Elisha Walker, of Kuhn, Loeb and Company, had to answer embarrassing questions about a deal in Sinclair Consolidated Oil Corporation—of which he was a director—that netted $12,000,000 profit in a few months.

In short, the directors already mentioned and some of their associates, constituting a majority of the B.M.T. board and executive committee, had figured in the public records, and had figured in roles that, however proper the financial community might deem them, had awakened a considerable feeling of doubt on the part of Senators and Representatives.

Timing Some Cautious Steps.—It was therefore the part of wisdom for the B.M.T. board, seeking a Northwest Passage around the Securities Law, to avoid unnecessary risks and, if formal application was to be made to the Stock Exchange, to await the adjournment of Congress. Although the B.M.T. might still come in for criticism after the legislators reconvened, these critics might then be confronted with an accomplished fact: the bonds might be thoroughly distributed and safely in the hands of the general public.

Congress adjourned June 18. Prompt action was now desirable to take advantage of a probable interregnum in the enforcement of the Securities Act. The Federal Trade Commission, which had had jurisdiction, was to lose it in sixty days and might be slow to act during that period, particularly as its two members acquainted with the statute were slated to go, and shortly did go, to the newly created Securities and Exchange Commission.

The preliminary preparations were hastily made, and formal application submitted to the New York Stock Exchange on June 30. So swiftly was this done that the application preceded by a few hours the President's appointment of the members of the new government commission. The resolution exhibited by the intrepid corporation directors and financiers was attended by a piece of good luck. One of the men appointed by the President was promptly charged with unduly close relationship to Wall Street. The newspapers published the report that various Senators were critical of the nomination of such a man to this commission. The press carried reports of a rift within the commission on the day of its first meeting, and of the continuance of ill feeling thereafter. All this served to crowd the doings of the B.M.T. into the background, and to occupy the minds of the newly appointed commissioners with other matters.

An Unexpected Delay.—The hardiest pioneers must expect setbacks. In this instance, the New York Stock Exchange proved to be slow. It could see that the whole plan would be likely to result in a distribution of the bonds to the interstate public, without the safeguards Congress sought to impose. The Stock Exchange did not want to get itself into too much trouble at the beginning of its regulation by the federal authorities. Its fingers had been badly burned. The chairman of one of its principal committees, the committee that passes in the first instance on all applications for permission to have new security issues bought and sold on the Exchange,

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had been a witness before the Senate Banking Committee last February. He had had to confess that in case after case in which his committee had approved applications, he and his fellow-committeemen had been misled and deceived by corporation executives and directors.

At the time the B.M.T. made its application, the Stock Exchange authorities could not have forgotten the comments on this testimony by Senator Fletcher, chairman of the Senate Banking Committee:

> Every one who heard the evidence before the committee last week was struck by the lameness of the excuses advanced by the Stock Exchange representative at those hearings. The representative admitted, as he was compelled to admit, that the Exchange had been lax and had permitted fraudulent transactions of large size within recent months. But the representative claimed that the Exchange had been deceived. Case after case was brought to his attention. Each time his excuse was that the Exchange authorities had been misled. If these excuses are to be given credence, it would appear that the authorities of the Exchange are a group of naïve, trusting and gullible men ready to buy the first gold brick offered to them. But they paid for these gold bricks with the money of investors, not with their own.

Such remarks tend to take the heart out of a man. They slow him up. He cannot do so much for his friends as he might otherwise be willing to do. The B.M.T. could not, in fairness to the Stock Exchange, expect it to issue permission automatically, as soon as the applicants had pushed the appropriate button. The whole affair looked too much like an attempt to accomplish what Congress had tried to prevent. Even if Congress failed in its purpose, and the corporation was merely navigating through a hole in the statute big enough to permit the passage of an ocean steamer, the Stock Exchange had to make sure that there was such a hole.

Embarrassments of Friendship.—Special circumstances of the B.M.T. case also operated to require the Exchange authorities, even if they were to grant the application, to act with at least some appearance of care. To begin with, there was the make-up of the B.M.T. board of directors. Five were partners in New York Stock Exchange houses, and favorable action on their application might be criticized as favoritism within the family. This danger was heightened by the fact that certain of the directors are connected with some of the most powerful people in the Street, and charges have been made, too often for comfort, that powerful interests can have their way with the Exchange authorities. Beside directors who had connections with the two most powerful banking firms in America, some of the other board members exercised a wide influence through their numerous corporate posts. One of them, Charles Hayden, in his own person is the holder of over 140 corporate directorships and other posts, including the chief office in eleven large companies.

The charge of favoritism for insiders was one to which the Exchange might properly be sensitive, particularly if it had in mind the possible reaction in Congress to the granting of applications like that of the B.M.T. Only a few months before the B.M.T. came to the Exchange, Senators had arrived at the conclusion that evidence before their Banking Committee disclosed the successful employment of favoritism in obtaining admittance of shoddy securities to the Exchange. To make the case even more difficult, the very man whose name appeared in the Senate records was Charles S. Sargent, a B.M.T. director. Not long before, he had been himself a member of the Stock Exchange committee in charge of applications for permission to have new security issues traded there. The Stock Exchange then had before it an application by a corporation (subsequently bankrupt) that had watered its stock to the extent of $38,000,000. The Chase Securities Corporation, affiliate of the Chase National Bank, was one of the company's bankers and tried to get the Stock Exchange authorities to act favorably on the application. But, as Murray Dodge, a vice-president of the Chase Securities Corporation, testified before the Senate Committee, the application was not proceeding rapidly or smoothly. Mr. Sargent was abroad. Mr. Dodge, therefore, wrote the president of the company, advising him to be patient until Mr. Sargent returned.

The following are extracts from his letter, as recorded by the Senate Committee:

> Enclosed is the latest list of members of the Stock Exchange committee. . . . Of course, I could be of assistance to you if Charlie Sargent were here. He is on the board of directors of Chase Securities Corporation, and has been very helpful to us in the past. Unfortunately, however, he is abroad . . . and will not be back until the end of next week. . . . I am always fearful in cases like this that we would do more harm than good pressing the matter too hard. I do feel that when the right time comes, whether it is a week from today, or two weeks from today, after Charlie Sargent is back, that if you appear before them and I go with you we may be able to push the matter over.

The matter was "pushed over," and when Mr. Dodge was questioned about his letter before the Senate Banking Committee, he said that the letter was "a bit frank; yes . . . a very candid letter," but he denied that it indicated that anyone could influence the Stock Exchange committee.

Another circumstance requiring the Exchange committee to be circumspect in the B.M.T. case was the relation of the committee's chairman to directors and bankers of the applicant. He was president of an investment trust controlled by one of the B.M.T. bankers, and was a colleague of various bankers and directors on the boards of many other companies. Even more embarrassing was the record built up by the Washington authorities

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concerning the activities of the bankers who bought the $8,000,000 B.M.T. bonds. For example, the records indicate that Kuhn, Loeb and Company, one of the B.M.T.'s bankers, had acted as adviser in one company's flotations in which the public had sustained, at the time testimony was taken, a market shrinkage of about $100,000,000, while the bankers had netted $5,000,000 profit. The same firm and Lehman Brothers, another of the bankers interested in the B.M.T. bond issue, were shown to have had participations in the stock pool of Libbey-Owens-Ford Glass that made $395,000 profit without putting up a cent. Evidence of the pool operations and other activities, condemned in Washington, of the other two B.M.T. bankers, Hayden, Stone and Company and J. and W. Seligman and Company, is sprinkled throughout the voluminous government records.

Prudence at Length Rewarded.—In the face of all these embarrassments, the New York Stock Exchange proceeded with considerable skill. It put the question up to the Federal Trade Commission. Mention has already been made of the fact that the Washington authorities regulating the securities business were at the moment in the period of organization and reorganization that is ordinarily accompanied by much temporary disorder. Even the most enthusiastic partisans of the financiers behind the B.M.T. application must admit that, if the Exchange could not grant the application out of hand and was justified in consulting Washington on the subject, it proceeded to do so at the exact moment that appeared most favorable to the corporation and its directors.

What actually happened as a result of this consultation is for the time being covered with mist. The Exchange says that its counsel, Mr. Roland Redmond, the same man who had piloted it through the difficulties of the stock-market-regulation bill, had talked with a representative of the Federal Trade Commission and received its "clearance,"—in short, that the commission said the Exchange could do as it saw fit. According to the report in The New York Times for July 26, a special meeting of the governing committee of the Exchange was called and this committee approved the application. At some undisclosed date, the special committee before which such applications must first come, also gave its approval.

The heroes of this exploit were now in the home stretch. The bonds could be distributed to the entire public through the facilities of the New York Stock Exchange, and at the same time the company's bankers and directors were to be free from disclosing facts of the sort required by the federal regulating commission, and from the liabilities imposed by the Securities Act.

Promptly, the day after permission was obtained, trading in the bonds was started on the floor of the New York Stock Exchange. Day after day the operation continued. There was one brief interruption, followed promptly by sales in larger volume.

This interruption came after the publication of a letter to the counsel of the Exchange, written by Baldwin Bane, an official of the Federal Trade Commission. The latter denied that the Commission had granted "clearance" or approved the listing of the bonds on the Stock Exchange. Mr. Bane said:

> I understand that reliance in avoiding liability under the act is now to be placed upon the exemption of Section 3a (11) of the act [this section exempts "any security which is a part of an issue sold only to persons resident within a single state . . . where the issuer of such security is . . . a corporation incorporated by and doing business within such state"]. . . . We believe that that provision clearly requires that the securities at the time of completion of ultimate distribution shall be found only in the hands of ultimate investors resident within the state. . . . An early listing of bonds . . . on . . . the New York Stock Exchange would appear to look to further distribution of the bonds prior to the completion of their ultimate distribution. . . . The listing of the B.M.T. bonds on the New York Stock Exchange at this time, within two months of their offering, may raise questions of the violation of the Securities Act of 1933. If there is any pressure for such listing it may well indicate that the bonds have not to date been placed in the hands of ultimate investors, but in the hands of persons who desire to make a quick redistribution of them. . . . The distribution of the B.M.T. bond issue, in the light of the size of the issue and the number of persons to whom bonds of the issue have already been sold, brings out clearly the difficulties inherent in efforts to avoid compliance with the . . . Securities Act.

The Haven beyond the Rocks.—The correspondence shows, not alone that the great adventure is not yet an accomplished fact, but also how courageous were the directors and bankers who engaged in the enterprise. If they have misinterpreted the law, they may go to jail. Of course, it is easy to overestimate this danger. Past and present court history indicates how hard it is to convict highly placed financiers in a case involving the complexities of large-scale finance. And the men connected with the company and with the Stock Exchange have excellent references in case of any trouble. The B.M.T. employed a firm of attorneys that is one of the dozen leading financial law firms in New York. This firm, Mudge, Stern, Williams and Tucker, has, under its present and its former name of Rushmore, Bisbee and Stern, acted for years as counsel to the Chase National Bank. Counsel reported, so states the application to the Stock Exchange, that the bond issue did not have to be registered under the Securities Act. In short, able attorneys of a reformed bank, which is generally regarded as eager to abide by the law and zealous in frowning upon any attempt to evade the law, virtually told the world that Congress had given "clearance" to such transactions.

What will happen next, and ultimately, is at the present writing veiled in doubt. Of one thing, how-

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ever, there should be no question, and that is the quality of courage displayed by the directors of the B.M.T. and by the officials of the New York Stock Exchange—courage to be expected of directors who are managing one-third of a billion dollars of the public's investments, and of officials who are protecting the holders of fifty to one hundred billion dollars of investments listed on their Exchange. Their attitude appears in the report of The New York Times, after the publication of the letter of the Federal Trade Commission official:

> The Exchange feels . . . that the question is closed unless it is carried further by the Commission with the company. The company feels that since the letter was addressed to the Stock Exchange, the company is not concerned. The bonds continue to be traded. . . .

MAX LOWENTHAL.

Upton Sinclair and His E.P.I.C.

IT IS generally conceded in California that Upton Sinclair will receive the Democratic nomination for Governor on August 28, 1934. In a year of excellent Democratic prospects, the party oracles have been reluctant to concede even the possibility of his nomination. But now they no longer equivocate. Nor are they alone in their anxiety. The Epic Plan is now being sponsored in other states and the national administration is reported to be alarmed.

That "the socialist interloper" might capture the Democratic party in California is not surprising. For years the party has been merely a stalking-horse for a few greedy politicians. Operated as an auxiliary of the Republican organization, the Democratic party has been easily controlled. When minority influence was needed, the Republican bosses had only to consult a few Democratic "leaders," such as the Honorable Isidore Dockweiler, and the trick was done. When William Gibbs McAdoo, eager to use the party for exactly the same purposes, overthrew the native-son hegemony in 1932, a bitter feud was born. Today McAdoo's leadership is hopelessly bankrupt and he is pretty thoroughly disliked throughout the state, but the rival claimants remain irreconcilable.

Both the McAdoo and Dockweiler factions recognized the gubernatorial campaign of 1934 as crucial. While they were plotting, Upton Sinclair, in August, 1933, announced his candidacy. Utterly oblivious to Sinclair, the Democratic tribesmen continued merrily whetting knives and oiling guns. Aided by this initial inattention, Sinclair got a fine start before his opponents gave him serious consideration. Nor were the candidates of the rival factions conspicuously attractive or wisely chosen. The Dockweilers have been sponsoring Justus Wardell, a wheel-horse politician from San Francisco; while McAdoo, in an inspired moment, hit upon George Creel. Handicapped by his association with Messrs. Bonfils and Tamment of The Denver Post, a short residence in California and the notoriety of having accepted $5,000 to run some vague errand for E. L. Doheny in the Teapot Dome scandal, Creel has failed to arouse a spark of enthusiasm. Recently, however, his candidacy has been strengthened by an endorsement from General Hugh Johnson, the administration's talented strike-breaker. Every effort to draft a likely "beat Sinclair" candidate has failed and neither Wardell nor Creel will withdraw from the race.

It should be noted that both Wardell and Creel are residents of Northern California—an initial handicap, for the Southern California vote is controlling. Today the Democratic registration in Los Angeles County alone is approximately 647,229—an unprecedented figure exceeding Republican registration by approximately 100,000, equaling almost half the entire Democratic registration in the state. The increased Democratic registration has been variously explained: the voters' hope for a Democratic victory in 1934; President Roosevelt's personal popularity; Sinclair's energetic "register Democratic" campaign; and the circumstance that most of the unemployed have registered Democratic. One veteran Democrat said to me: "The Republicans closed the door to the restless and discontented and when Roosevelt threw it open they swarmed in." The unemployed factor is important: according to the latest S.E.R.A. report, 346,039 people received relief in Los Angeles County during June, about one out of every seven persons.

On the surface, the Sinclair following would seem to be indefinably heterogeneous: various socially minded clergymen, quack astronomers, single taxers, mind readers, members of the powerful Utopian Society, leaders of the unemployed co-operatives, a few Santa Barbara dowagers, the Honorable Lewis Browne, aged and infirm Democratic office-seekers, professional "Catholic leaders," miscellaneous political has-beens. Advocates of the Townsend Old-Age Pension Plan, advocates of Synchrotax (a nostrum brewed in San Diego), followers of the Rust Taxation Plan, theosophists from Ojai, Rosicrucians from San Jose, all support him. There has been great unrest in California, particularly in the heavily populated southern counties; plans have been written, societies formed, banners unfurled. Most of these groups have gravitated to Sinclair by default.

Basically, however, Sinclair's support comes from the expropriated middle class: the numberless fam-

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ilies frisked of their savings by C. C. Julian and a horde of lesser predatory marauders. Observers have pointed out that Sinclair's following is made up, for the most part, of the middle-aged. He does not have the support of the Young Democrats of California and has failed to enlist certain outstanding pro-administration liberals. He himself rejects the radicals—refusing even to endorse Leo Gallagher for the State Supreme Court despite the latter's long and courageous record in support of civil liberties.

With practically no funds, Sinclair has managed to build up an effective organization. He publishes a newspaper and many pamphlets. Autographed pictures of the candidate and booklets are sold for nickels and dimes; those who can't contribute money give old clothes and junk for sale at public auctions. His book, "I, Governor of California," has sold over 200,000 copies. There are about 800 Sinclair clubs throughout the state. These clubs sponsor barbecues, picnics and sewing bees. Driving along the highways, one is apt to observe, almost anywhere, a crudely inscribed sign reading "Big EPIC Rodeo Next Sunday" or signs such as "A Wild West Show—A Big Free Lunch—Free Dancing—Free Games—A Speech By Upton Sinclair." Sinclair has written, apparently for a three-year-old intelligence, an economic melodrama entitled "Depression Island," which the emotional and happy Epicites adore. Admission tickets are sold for all gatherings, although those without funds are ultimately admitted. There is a full Epic ticket running in every assembly district in California, including candidates for most of the state offices.

The Epic Plan (End Poverty In California) is quite simple. Aside from heavy income and inheritance taxes, Sinclair proposes to leave the existing system intact. The unemployed are to be colonized on land purchased by the state, with a living guaranteed. Idle factories and stores are to be purchased. A scrip exchange system is to be used within the colonies. In a word, Sinclair proposes to set up a system within a system—"a complete industrial system, a new and self-maintaining world for our unemployed." Observe: he proposes not only to achieve socialism within the existing framework of the capitalist system, but within a particular state. Essentially his plan is the "colony" idea with which he has been obsessed these many years: the little island of socialistic rectitude and plenty within a sea of capitalistic iniquity and scarcity. The colonies are to be exemplary social units with churches, playgrounds and theatres—with, perhaps, something to drink, a generous concession from Sinclair.

Throughout the campaign, Sinclair has revealed unexpected political talent. Knowing that "The Profits of Religion" would be quoted, he supplied his henchmen with the right answers in advance. He refers to himself "as a true Christian in the only real sense of the term" and is characterized by his emotional lieutenants as a "Christ-like person." Sinclair cleverly enlisted the early support of a large group of Congregational and Methodist clergymen. They have campaigned for him and thrown their churches open to his meetings. When Sinclair appears at meetings—smiling, charming, gentle—the Antichrist legend falls. Like Roosevelt, Sinclair has a "famous" smile. He promises, not merely a new deal, but the abolition of poverty. Naturally he is received with enthusiasm.

Recently Justus Wardell announced that "Upton Sinclair has defamed our Lord Jesus Christ and insulted Almighty God." Sinclair, who has described himself throughout the campaign as an ardent early-Christian primitive, dining on milk and figs and believing in the power of prayer and the existence of Divine Force in the Universe, challenged Wardell for an explanation. Said Wardell: "Didn't you stand on a platform in Kansas City and, holding a watch in your hand, wickedly invite Almighty God to strike you dead?" Sinclair has, of course, taken advantage of these exquisite opportunities to advise the Californians that he is not Sinclair Lewis and that he did not write "Elmer Gantry."

Sinclair has efficiently scotched his reputation as a radical. Without apologizing for his record, he merely informs his audiences that he predicted the depression thirty years ago. The official campaign strategy has been to point to Sinclair's long line of democratic ancestors, to express deep reverence for Franklin D. Roosevelt and to emphasize the essential Americanism of the Epic Plan. "Why aren't you a Communist?" shouted a heckler in San Francisco. "Because I am an American," retorted Sinclair and the cheers, of course, were thunderous. It has been, in fact, the deepest folly for Sinclair's opponents, all of whom are posing as gladiators for the New Deal, to denounce him as a socialist. The similarity between the Epic Plan and certain features of the New Deal is quite obvious. There is even a certain resemblance between the sponsors of the two plans. Moreover, Sinclair has managed to keep some of his former Socialist allies.

The "beat Sinclair" candidates have failed, of course, to label Upton a Communist. They feverishly quote from nineteenth-century definitions of communism and name a few so-called revolutionary societies that, at one time or other, named him as a member. But Sinclair has an unshakable alibi: he points to the Communists. They have an organized party and a candidate for Governor; moreover, they denounce Sinclair as a "social fascist" and distribute anti-Sinclair pamphlets at his meetings. Even the Californians find it difficult to believe, under these circumstances, that Sinclair is a Red.

The Communists have charged, in fact, that Sinclair aided the San Francisco Industrial Association in breaking the general strike. The circumstances of this charge require consideration. In response to a wire from The Daily Worker, requesting a statement on the strike, Sinclair replied:

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> As founder of the Southern California branch of the American Civil Liberties Union, my stand on freedom of speech, press and assemblage is well known to you. Like all Civil Liberties people, I encounter difficulties in defending the rights of Communists who themselves repudiate freedom of speech, press, and assemblage, and do everything they can to deprive others of those rights. It is true that blind capitalist greed is responsible for this civil war in California, but it is also true that blind Communist hate is responsible for your impotence in the struggle.

Obviously circuitous and lacking in simple emphasis, this statement was disappointing even to Sinclair's liberal admirers. But in fairness to Sinclair it should be stated that he was deeply incensed at the Communists. He considered their request insulting in view of his long record in American radicalism and his known personal views. He believes, and with justification from his point of view, that the Communists wanted to put him on the spot politically rather than to help the strikers in San Francisco.

But, unfortunately, there is more to the charge. It has been painfully apparent that Sinclair has avoided making a campaign issue of the general strike. It is true that, addressing a mass meeting in San Francisco, he called Mother Mooney to the platform and indulged in some forensics about "if I am elected Governor, labor will not have marched in vain," etc. But, returning to Los Angeles, he was quoted in The Post-Record of July 17, in response to a question as to his views on the strike and the use of the National Guard, as follows:

> If I had been Governor of California I would not have permitted this situation to arise, but would have forced a settlement at the outset. There is no use asking a physician what he would do for a patient when the patient is at death's door. A physician has a right to be called in when the disease first manifests itself. When thousands of workingmen are driven to the point of a strike, it means that they are suffering grave injustices, and it is the business of the state to compel the ending of those conditions.

This statement smacks of so much political equivocation that it might have been issued by Secretary Perkins.

Dissatisfied with his public utterances, I discussed this matter recently with Sinclair. In brief, he said: If he had been Governor, he would have used every power at his command to have acquired the hiring halls for the longshoremen. He realizes that, if elected, he must act swiftly, but feels that the tendency to violence would subside after the people saw that he meant to carry out his promises. If the officials of Imperial Valley, for instance, did not respect individual rights, he would use every power of his office to see that they did. As to the farmer-fascists, he had warned them years ago that a statute existed in California by which capitalist criminal syndicalism might be suppressed. He would die (I believe his words were "they would kill me") before he would call out armed guardsmen to shoot down working men striking for their rights. Doubtless this statement will not satisfy the Communists; but neither will it please the Industrial Association.

Sinclair is quite candid. He concedes that his plan, or any plan to achieve a new economy by democratic methods, has only a chance to succeed. He doesn't say "a thin chance"; in fact, he thinks the odds in its favor are even, or better. He recognizes that such plans have generally failed, but he relies upon the coöperative instinct of the American people, their long training in processes more or less democratic and the existence, in California, of such weapons as the initiative, referendum and recall. He believes that much of the violence in the world today is due to the smoke from the guns of Communists and fascists getting in everyone's eyes. He is unalterably committed to democracy.

If nominated, Sinclair's chances of election in November are not great. A great wave of reactionary sentiment has swept over the state since the general strike. The strike has been labeled "communistic" and the "Red menace" once more dominates the headlines and is insinuated into the news. Throughout the strike, Governor Merriam was barnstorming about the state, making speeches and issuing statements. There is no doubt that the strike has consolidated conservative support behind Merriam, who seems assured of the Republican nomination.

But more important is the attitude of the rank-and-file membership of the Democratic party. A high official in the party told me recently that at least 40 percent of the registered Democratic vote would desert Sinclair in November. Many prominent Democrats have announced that they will not support him. Nor can Sinclair expect any assistance from the national administration. It is no secret that the McAdoo-Dockweiler factions will refuse to aid him. In fact, if Merriam is the Republican nominee and Sinclair the Democratic, the chances for the election of Raymond L. Haight, who is assured of nomination by the Reverend Robert Shuler's Commonwealth party, are excellent. Many Democratic leaders, sensing this alignment, are silently moving into the Haight camp. Haight is the organizer of a secret society that is highly approved in Southern California for peeking through Hollywood keyholes and reporting "Babylonian revels" to grand juries. Such is the set-up.

What is the net total for California of this plan? George H. Shoaf has expressed what is probably the long-term importance of Sinclair's campaign: "The aftermath of the certain failure of Sinclair to make good, provided he is elected, and the disillusionment of the people following the inevitable fiasco of the Utopian Socety, will so disgust everybody with pseudo-radical remedies that probably for a long time to come it will be difficult for a real radical to get a hearing." Sinclair is really running on the barrenness of one of the most popular campaign slogans: "He can't do harm; he might do good."

Los Angeles. CAREY MCWILLIAMS.

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Fascism in England

ENGLISHMEN used to smile in a superior way when a foreigner asked whether fascism would ever come to their peculiar island. Even when Sir Oswald Mosley actually created his party of Blackshirts, they answered that this phenomenon illustrated only their tolerance of eccentricity. There would be fascists, they conceded, as there are communists in England, but neither the one nor the other would ever leave a mark on the serene pages of her history. And they went on to moralize, preening their feathers as they talked, "We are too proud to imitate foreign ways. Our sense of humor"—by which they meant their love of the commonplace—"finds colored shirts and uplifted arms not a little ridiculous. We are introverts with no taste for drama. We are averse to all extremes of opinion. We detest violence. We are nurtured in a democratic tradition, so ancient and so firmly rooted in our habits that it is unthinkable that we should ever depart from it."

This complacency has received a severe shock in recent months and weeks. Fascism is growing; it has attained prominence in the news. This party has now its 17,000 active, paying members, which is about half what the Independent Labor party possessed at the height of its influence. A large proportion of them are young men, chiefly of the middle class, who perform quasi-military exercises and drill. They have some armored cars, and with five or six airplanes as a nucleus they are forming an air force. They are exceedingly active in conducting an incessant campaign of public meetings, both in halls and in the open air, all over the country. Their leader, Sir Oswald Mosley, is, in a country that breeds few speakers of the first rank, a powerful and popular orator. They seem to command unlimited supplies of money and until recently had the help of Lord Rothermere, with his Daily Mail and the long chain of newspapers, both provincial and metropolitan, that do his bidding.

In spite of these advantages this fascist movement is passing through a period of intense unpopularity. It rouses the workers to fury: the Liberals in their quiet way are, if the word is not offensive, moved: old-fashioned Tories express themselves with surprising heat. The reason is to be found in a piece of news that doubtless was cabled to the American dailies. A number of spirited young men, some of them Socialists, some Communists, ventured to interrupt an oration by Sir Oswald Mosley at a huge mass demonstration in the biggest hall in London, Olympia. No sooner had one of them asked a question or risked a retort, than twenty uniformed Blackshirts fell upon him, carried him out with excessive violence, and then in the lobbies and even in the street, beat him, kicked him and otherwise maltreated him with the cowardly sadism that fascism everywhere cultivates. The police, even in the street, remained passive spectators of these assaults.

The performance was so unusual and so disgusting that a wave of indignation swept for several days over the fascists, in the press, on the wireless and finally in the House of Commons. Public opinion is usually severe upon organized interruption at meetings, but in this case there was some inclination to excuse it. It is an anomaly in a democratic country that a party should openly seek to terrorize its opponents by its quasi-military formations, its parades of armored cars and now with its airplanes. Its uniforms, under these circumstances, are an incessant provocation, which becomes intolerable when one witnesses the disciplined, deliberate brutality of the young men who wear them; for they are instructed in ingenious methods for inflicting the maximum injury on their opponents with the minimum risk of detection.

The government has announced that it proposes to make the police responsible—as they are not at present—for the maintenance of order at public meetings. This solution is generally disliked, nor does it touch the real anomaly. But, in spite of pressure from several quarters, the government will not take the obvious step of prohibiting, as Holland and the Scandinavian countries have done, the wearing of party uniforms and the organization of private armies. Its attitude toward this movement is rather an enigma: it is an ominous sign that the police appear to be friendly to it. The real danger may come later. If the disorder that it everywhere provokes should grow to more serious dimensions, one fears that it may be used as an excuse to curtail the right of public meeting. This is an inert but reactionary government. Under the plea of protecting the troops and the fleet from radical propaganda, it is at the moment engaged in passing a Sedition Bill that may make it dangerous to publish or possess any outspoken book dealing with war or imperialism.

At present, however, apart from such indirect consequences, this sort of fascism is not yet a serious danger. None the less, the general argument that it is "un-English" leaves me unconvinced. That Puritanism and the more recent and insidious discipline of the Public Schools made Englishmen a nation of introverts is true. The present generation, however, is shedding its repressions rapidly, and one can imagine it turning in an exaggerated rebound to the externalism, the drama, the pageantry, the shoddy emotionalism of fascism. These things were, one would have said ten years ago, as alien to the German as they are to the British character.

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National temperament is capable of singular and baffling variations. Nor does it wholly reassure me when I am told that England has a long and continuous political tradition. It is elderly persons who comfort themselves with that saying. Few of them inquire how life looks to the young.

Now the fact is that the English political tradition was sharply broken by the War. The generation that reached maturity from 1914 onward has never seen what its elders are pleased to call the "normal working" of British institutions. The two-party system ceased to function. Twice this younger generation has lived under coalitions, twice under minority governments. It has never seen Parliament functioning "normally" as it did in the nineteenth century, and up to the Asquith administration. England has oscillated between the impotence of governments that lacked a majority, and governments that had a nearly unanimous House behind them. The tradition of government by discussion between equals survives only as an echo from a past that these young people have never experienced. They feel none of the rather superstitious respect for Parliament in which their elders were reared. The defenses of tradition are no longer imposing, and with every year they grow a little less effective.

On what, in the last resort, did this English liberal tradition rest? It had, like most things in history that are effective and enduring, its economic root. There were always a few intellectuals, from Milton to John Stuart Mill, whose passion was to think and speak freely what was in them. Such men are always a small, if vocal minority, and they wield no economic power. They allied themselves, however, with religious Nonconformity. It was "diligent in business, fearing the Lord," and when it brought in machinery to reinforce its virtues it came to wield considerable economic power. The main body, however, behind the tendency that evolved into modern liberalism was governed by the frankest of economic motives. It wanted freedom to trade. At first it fought the King's monopolies, and his arbitrary claim to tax at will. In the nineteenth century it stood for laissez-faire and the open custom house. These three groups who wanted liberty were natural allies. They sprang from the same middle class, nor was there any incompatibility among the three kinds of freedom they sought. But throughout this long period the claim of free trade was paramount and decisive. It had wealth, enterprise and the habit of command behind it—in a word, economic power—and it won. On the group of the merchants and the captains of industry, the intellectual liberals were parasites.

Today this natural alliance is dissolved. The fire and the aggressive temper have gone out of Protestant Nonconformity. It is in no danger; it has no more rights to win; it has ceased to be a political force. Free trade in every sense of the word is obsolete, so obsolete that one can hardly imagine even a gallant rally to save a lost cause. It is no longer the accepted recipe for the acquisition of riches. That end is sought by wholly different means—cartels, price rings, combinations of the subtlest and most varied kinds, tariffs, quotas and what not. The capitalist middle class no longer desires a government that will let trade alone. It wants a government that will act with steady zeal to guarantee profits, hold up prices and collect debts. In short, the economic driving force that made for freedom (as it was called) has reversed the engines. It is for regimentation. There is as yet in England little consciousness of the break that has occurred in the ancient alliance between the intellectual liberals and the capitalist middle class. It is not "good form" to think consciously about such matters. It has none the less happened. There is no longer any imperious economic drive that presses for civil liberty and intellectual freedom.

This means, I think, that England is moving into a fascist climate. Fascism is, I take it, the policy of a capitalist middle class whose economic interests require regimentation and an authoritative use of the state machine. When that happens, this ruling class cannot risk the interruption of government conducted for its own ends. Given laissez-faire as the accepted principle of both parties, it did not matter overmuch whether Whigs or Tories sat in Downing Street. But when government becomes a positive tool for the extraction of profit, can this ruling class, possessed of economic power, tolerate even for a few years an administration that would refuse to wield this tool at its bidding and in its interest? A Labor Ministry of the MacDonald-Snowden-Thomas brand it would, of course, be pleased to tolerate, but certainly not a resolute Socialist Ministry that meant to realize its creed.

In this broad sense I believe that fascism has already arrived in England. I do not mean that it will necessarily make much use of colored shirts and rubber truncheons. That ancient institution, the House of Lords, is a surer defense of class ascendancy than any body of Storm Troops. Nor am I sure that the Labor party will really refuse to employ the tool of government as property requires that it shall be used. But if it does refuse with any marked boldness, then I doubt whether the venerable constitution will operate normally; nor would it surprise me to see civil liberties retrenched. The thing will be done, if it is done, by leaders rather more solid and sober than Sir Oswald Mosley. He is much too intelligent to be the ideal fascist leader.

England may escape the morbid aspects of the German movement, because her middle class is neither embittered by defeat nor rendered desperate by poverty. Anti-semitism is no necessary part of fascism. The core of its meaning is, I take it, that in the present phase of capitalist development, property must control the state for positive purposes, indisputably and without a break. From the minimum that is necessary to secure this end the British propertied class will not shrink.

London. H. N. BRAILSFORD.

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The President Comes to Our Town

HE STANDS on the bridge looking down. A tall man with a contagious smile. A flower is pinned to his lapel. His hair is tousled. "There he is," someone shouts. As he waves his hat the throng on the dock presses forward until police and guards strain to hold it back. The crowd murmurs impatiently as political personages and business executives trudge importantly on board to "confer" with him. When he comes down the gangplank on his son's arm the roar from the crowd outdoes the navy's twenty-one-gun salute.

People fight to touch his car, to get a personal wave from him. An old woman standing near as his wife passes cries hysterically, "I touched her! I touched her!" The woman has holes in her stockings and her umbrella is torn and frayed. Secret service men push back the throng as his phaëton leaves the pier. Beggars with upturned hats are mauled in the crush as the throng surges forward. Cabinet members farther back in the parade are forgotten as he passes by. The people want only to see and hear him.

Every time he waves his panama or smiles, jammed crowds along the way respond vociferously. Down Broadway he goes, past a theater that has flouted the Blue Eagle successfully for six months. Picketing by organized labor has not seriously hurt the theater's business. On the marquee is a sign: "Welcome, Mr. President." Near Burnside Street a pasty-faced girl leans from the upper window of a brothel and calls, "How are ye, Mr. President?"

Just as his car nears the waterfront again, longshoremen to whom he has promised industrial democracy are battling strikebreakers who have not quit their jobs according to the decree of his mediation board. The stevedores look grimly in the direction of the tumult. One of them says, "There goes the big shot. Bet he'd help us if he knew what was goin' on."

A line of unemployed laborers watches the march stolidly. Several of them wave tattered stetsons. A big hulking man with a pock-marked face mutters, "Gee, you'd think the President over there would give us a break. He's a great man. He ought to help us." A secret-service operator near the President's car jerks his head in the direction of the idling men. "Keep an eye on those babies. Can't tell what chaps like that will do."

His big touring car speeds up as it rolls by Sullivan's Gulch. Down below men who have been out of work from before the time he was inaugurated are living in packing-boxes and shanties made from tarpaper and laths. Even they fight frantically for a place in the front line. A gray-haired policeman says, "Lindbergh got nothin' like this. This fellow's the most popular guy to come here."

At the charity hospital for crippled children he stops and waves to the youngsters. They answer enthusiastically and the throng along the streets murmurs approval. "He's sure democratic," declares one. "He knows what it is to be crippled," says another.

A big brute of a rain squall which has been threatening all day thunders up as he leaves the city limits. He smiles and jokes with his companions as the tops are raised on the automobiles. He munches pears from an adjacent orchard and a small crowd of curious farmers approves this exhibition of democracy. Louis McHenry Howe looks sourly from the window of his sedan several cars back. Secretary Ickes admires the hills in the middle distance.

Between lines of cheering ranchers he nears the Columbia River gorge. Back in the mountains several thousand people have stood in the mud all day to hear him speak at the giant dam the government is throwing across the river. He passes delapidated farmhouses where electric lights have been disconnected. Crops have brought nothing and some people have gone back to oil lamps. They stand by the highway and beat dishpans as he goes by. Higher in the hills the lumber industry is almost at a standstill, yet tall men in mud-stained boots and torn "cruisers" wave soiled hats in tribute. He returns the salute with his panama. They gaze after him admiringly.

The cars go more slowly as they climb the canyon. On the left of the road is a sheer 800-foot drop to the river. The secret-service men caution the drivers. At the dam site the people cheer frantically. Steam-shovel whistles pierce the ears. His car circles the great excavations several times. Men with clattering pneumatic drills, their brogans ankle deep in silt, shout enthusiastically when he waves to them. For several minutes he studies blueprints of the dam. He talks pleasantly with everyone. All are charmed by his personality. A veteran contractor compares the affable manners of this man to the dour outlook of the "great engineer" who preceded him in the White House.

His son and a secret-service assistant help him up the ramp to the platform. The throng murmurs sympathetically as he slips slightly once. He takes his place at the speaker's stand. The Governor's introduction is mercifully brief. He smiles warmly and the crowd shouts a hysterical response. The men wave hats. Little children flutter American flags. "Isn't he grand?" says a bare-legged girl shivering in the chill mountain wind. As he starts to speak the sun comes out and reflects brightly on the cliffs in the background.

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His voice is rich, impressive. The crowd is held by it. He talks smoothly, conversationally. Everyone thinks he is being addressed personally. Halfway through his address he pauses, looks down the surging stream towards Old Beacon Rock, landmark for Lewis and Clark a century and a quarter before when Jefferson had sent them to find a new land of freedom beyond the Rockies. For a brief moment the only sound is the chatter of the river —it is as quiet as when the frontiersmen seeking a land of equality were there 125 years before. The laborers' muddy shoes and blue denim contrast sharply with the coats of the reception committee.

He starts again, speaking vibrantly, "The power which we are developing here is power that for all time is to be controlled by the government." A cheer reverberates between the canyon walls. "See, I told you he'd help the little fellow. No grafting holding company's going to get this dam."

He finishes and drives off amidst thunderous acclaim. As his train rolls out, he smiles and waves back until his observation car is lost from sight when the track swings sharply into the hills. His contagious smile, his charming manners, have captivated the throng. It would follow him into socialism, regimentation, communism, or whatever the papers want to call it. All along the tedious ride through the mountain and wheat country, the story is the same. The people worship him. He is their idol.

And one sadly reflects that this man who could be such a leader, whom these people would follow so implicitly, who could do so much for them—has done so little.

Portland, Ore. RICHARD L. NEUBERGER.

Washington Notes

Mr. Hull Endures the Climate—Rivals, Russia and Revenge—The Empty Sugar Bowl —No Quotas, No Trade

WHILE the other administration leaders have been away this summer junketing about the country, Mr. Cordell Hull has remained steadfastly at his desk in the State Department wrestling with his beloved tariff treaties. Free trade is a religious conviction with Mr. Hull; in the cause of world tariff reduction, apparently, he has not felt the sizzling Washington heat any more than Christian missionaries are supposed to feel the heat of India. However, I regret to report that Mr. Hull also seems to have had strictly personal motives for staying in Washington. Apparently one of them was to take advantage of Mr. Roosevelt's absence from the country to get back at Mr. William C. Bullitt.

You may recall that, in the early days of his administration, Mr. Roosevelt depended upon Mr. Bullitt, Mr. Moley, Mr. Sumner Welles and other young men for advice on foreign policy, quite to the exclusion of Mr. Hull. With justification, Mr. Hull resented this humiliation, and following the disasters of the London Conference, he succeeded in forcing Mr. Moley's resignation. After the Moley episode, it was assumed by observers here that thenceforth Mr. Hull was to be king in his own Department. But almost immediately afterwards, when the question of Russian recognition arose, Mr. Roosevelt summoned Mr. Bullitt to the White House, and again Mr. Hull found himself conspicuously ignored.

The Russian negotiations began in the first week of November, last year, and as it happened, Mr. Hull was scheduled to sail on November 11 for the Pan-American Conference at Montevideo. As November 11 approached, it was announced with emphasis at the State Department that Mr. Hull would take a later ship, or perhaps go by airplane, but in no case would he leave before the conversations with M. Litvinoff were ended. This obvious and rather pathetic maneuver by Mr. Hull, however, was unavailing. He was unceremoniously packed off to Uruguay on his appointed ship; Mr. Roosevelt and Mr. Bullitt carried the Russian negotiations through to success without him, and Mr. Bullitt departed in triumph for Moscow as America's first envoy to the U.S.S.R.

Mr. Hull comes of Tennessee mountain stock, the kind of folk who never forgive a rival. No sooner had Mr. Roosevelt left on his recent vacation trip to Hawaii, than it began to be hinted around the State Department that Mr. Bullitt had fallen down on his task of negotiating a Russian-American debt settlement. Shortly afterwards the announcement was made that the debt negotiations had been transferred to Washington. As a result, relations with Russia are at last firmly in Mr. Hull's hands, and Mr. Bullitt is left in his unfurnished Moscow embassy with damaged prestige and nothing to do. The unofficial reason the State Department gives for bringing the negotiations back to Washington is that recently M. Litvinoff has been so preoccupied with his plans for an "Eastern Locarno" in Europe that Mr. Bullitt has been unable to see him. On its face, this is ridiculous. As long as the Japanese threaten Russia's Siberian provinces, no Russian Foreign Minister is ever likely to be too busy to see the American Ambassador.

According to my information, Mr. Hull has not made marked progress in his talks with M. Troyanovsky. The Russians take an extremely pragmatic viewpoint towards the Tsarist debts: if America is prepared to grant future credits at reasonable interest rates, they will agree to recognize the debts and make a modest final settlement, but if there are to be no credits, the Russians simply aren't interested. A number of influential newspapers, including the Scripps-Howard chain, have begun to ask why Mr. Roosevelt's promises of a great export trade with Russia have not yet materialized; apparently M. Troyanovsky counts on this domestic pressure to force the administration to make a new, more generous offer.

Another rival who has kept Mr. Hull in Washington has been Mr. George N. Peek. Last January, Mr. Hull was voyaging leisurely up the west coast of South America on his way home from the Montevideo Conference, when a radio message informed him that Mr. Peek had been made foreign-trade adviser to the President. Within twenty-four hours, Mr. Hull was aboard a United States cruiser scudding across the Caribbean. At Key West

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he leaped aboard a train and came rushing north to Washington, apparently satisfied that he had another Moley or Bullitt to deal with. Ever since, Mr. Hull and Mr. Peek have eyed each other with the hostility and suspicion of two strange dogs.

The new trade compact with Cuba, now completed and ready for Mr. Roosevelt's approval, gave the two their first opportunity to test their respective strengths. It is generally agreed that Mr. Hull has won handsomely over Mr. Peek, and that his victory has been due to hard work. Mr. Hull has been on the job weekdays and Sundays, has worked the State Department's economic staff to exhaustion and throughout has kept the negotiations tightly under his own control.

The Cuban agreement is interesting as a sample of what we may expect in increased foreign trade from the reciprocal tariff law, passed in the final sessions of Congress. It is the first treaty to follow the elaborate procedure to which all future trade treaties must conform. Preliminary hearings were held before the Tariff Commission, marked by angry protests from Florida fruit and vegetable growers, and from Connecticut tobacco farmers. Many days of conference took place among State Department economists and representatives of Mr. Peek's office, the Tariff Commission and the Department of Commerce. Officials familiar with the final provisions of the Cuban agreement assure me that, after all this effort and sweat, no important trade possibilities have been uncovered. In fact, this first experience with the new instrument of reciprocal tariff agreements has discouraged almost everyone except such incorrigible optimists as Secretary Hull himself.

Probably this disappointment was inevitable. Our reciprocal tariff law was frankly inspired by the relative success that England and various Continental countries have had with such agreements. But the Roosevelt administration, largely because of Mr. Hull's insistence, has denied itself the use of the quota, which, in the present world of currency confusion, seems to be almost the only means of gaining trade from debtor nations. In England's last agreement with Germany, for example, England agreed to a definite increase in its imports of German musical instruments, toys and small manufactures, in return for a corresponding increase in Germany's imports of Welsh coal. The additional foreign exchange created by England's increased purchases from Germany made it possible for Germany to buy England's coal; otherwise there could have been no agreement. In our new trade treaty with Cuba, we do not promise any definite increase in our purchases of Cuban products, and consequently Cuba, now in the midst of a severe currency crisis, can make no hard-and-fast promises to buy more from us. This refusal on our part to use the quota system, which is a sort of crude international planning, is likely to defeat any trade agreements we may make with Latin American countries. As for treaties with European countries, it is doubtful whether Europe has any trade possibilities that have not already been explored and annexed by England. In short, the administration had best get ahead with its Russian negotiations; Russia still offers us the only real chance for a rapid increase in our exports.

Washington. T. R. B.

Other People's Money

Red Conservatives of Connecticut—Arts of Headlining—It's Not the Dollar-signs but the Dollars

PARTIES are confused. They are no longer sure of what they stand for. They are sure of one thing, however. The world has changed and there is a cry for social justice that no party dares ignore. This makes the golden chance for those citizens who are determined to press the cause of social justice. In many states groups of various kinds, made up of men of all parties, have organized to press upon both leading parties programs for social justice. One of the most promising I have seen makes its appearance in Connecticut. I say it is the most promising, first, because it proffers a program that is actually realizable and, second, because it is made up of men who by no stretch of the imagination can be called radicals—chiefly business and professional men and leaders in the conservative old Nutmeg State.

It is impressive to see commercial and professional leaders, Democratic and Republican, calling for a maximum forty-hour week fixed by law, a guaranteed minimum-wage law, control of industrial homework looking to its extinction, a state child-labor law, the extension of the labor laws to agriculture and trades not now reached, such as domestic service and state institutions, an unemployment benefit fund *administered by the state,* old-age pensions, and adequate appropriations for the Labor Department to enforce the state's labor laws effectively.

There is plenty more to this extraordinary program. But it is heartening to see such men, who cannot be branded as Reds, recognizing that "our present laws in regard to public utilities were planned to favor the corporations rather than to protect the public." These men want to see milk distribution made a public utility and regulated by the state "in the interest of the producers and consumers, instead of in the interest of the dealer monopoly which now dominates the industry." They want to see state and county governments reorganized to meet the new and changing needs of our modern life, with the merit system extended to all employees of the state government save bureau heads. They oppose the vicious sales-tax system which is spreading around the country. They demand state income taxes.

Every citizen of Connecticut, Democratic or Republican, ought to put the moral pressure of his support back of this program. And citizens in every state ought to imitate this movement. It is essential to make the politicians realize that there is a demand for these essential reforms.

A reader writes to reprove me for asking "what has become of all the corporations that were waiting to flood the market with security issues the moment the Securities Act was amended?" He calls my attention to a headline in the New York Times, August 1, 1934, which proclaims: "New Flotations at 4-Year July Top." The article then announces that $170,000,000 of other than state and municipal bonds were sold during the month. From this my reader proves that the corporations did actually come forward when the Securities Act was amended.

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I often wonder why it is that critical readers never give me credit for being aware of these contentions, and why they assume that I take no more trouble than a headline writer or a hurried newspaper reporter to get my facts about these things. Let us therefore look at the facts. They will teach readers what they should already know, namely that headlines are hardly the place to go for financial data and that newspaper reports written by men who are always concerned to put the brightest face possible upon business news are seldom to be trusted.

The whole question revolves around whether the amendment of the Securities Act did result in more securities being issued. As a matter of fact, in July the total of securities issued was $373,362,112. This was easily the largest amount in any July since 1930. But on examination it is found that of this total $227,583,198 were issued by the government, the states and the Federal Intermediate Credit Banks, all either to refund old issues that were due or for relief purposes. And as these issues are not in any way subject to the Securities Act they cannot be considered.

This leaves $145,778,914 of corporate securities issued in July, 1934. Where then are the $170,000,000 of other than state and municipal bonds referred to by our correspondent? Now let us look at the $145,778,914 of corporate securities issued in July. Of these, $100,000,000 were railroad bonds. These are not subject to the Securities Act and could not possibly have been affected by its amendment one way or the other. Of this, by the way, $92,000,000 were simply refunded old bonds and not new financing in any way. Only $7,000,000 of the railroad issues were for new capital, but even that was not subject to the Securities Act. This leaves us with but $45,000,000 of corporate financing affected by the Act. This is really not very much more than in June and is very much less than in July of last year.

Of course, so far as priming the pump of business is concerned no financing is important unless it be new financing. Bonds issued to replace existing bonds may be important to the credit of the company issuing them but they exert no influence upon the so-called capital-goods industries. Only bonds issued for wholly new capital—capital that flows freshly into an industry and is available for new purchases of capital goods or for working capital—is of any consequence in the effect upon the general economic situation.

We were told that as soon as the Securities Act was amended new funds would flow into industry and that it was this baleful act that held up the capital-goods industries.

How much new capital flowed into industry in July? Of the $45,778,914 of corporate issues, only $20,278,914, and perhaps much less, was for new capital. On another calculation, the sum may have been as low as $13,000,000. That was not so much as in June, 1934, and was much less than one-half of the issues of July, 1933.

Instead of saying that corporate security flotations reached a July top for four years, we should say that new capital issues reached the lowest point in decades. Here are the figures over the last five years:

1934.....	$ 20,278,914
1933.....	52,893,807
1932.....	62,842,000
1931.....	115,069,750
1930.....	452,280,500

These figures tell a doleful story about the present condition of business in spite of the silly ballyhoo of the Blue Eagle boys down in Washington.

JOHN T. FLYNN.

On the Labor Front

The Federation Faces Its Ranks—New Life vs. Old Crafts—Harriman Hangs Fire —An Evil Tradition

IN ATLANTIC CITY last week the Executive Council of the American Federation of Labor held its annual meeting to formulate plans for the coming year. It is no exaggeration to describe this meeting as one of the most momentous in the Federation's history; for the decisions that the Council makes and submits to the annual convention in October may well decide the future of the Federation—whether it is to move ahead with increasing power or disintegrate from sheer inertia.

The time for standing pat—and hoping still to remain an effective labor organization—is rapidly passing. The rank-and-file revolts in steel and automobiles, in San Francisco and Toledo, to mention only a few, reflect a widespread dissatisfaction with present Federation tactics. Certainly these workers, and the millions ready for unionization, are not to be held in line much longer by the flabby, indecisive policies of the past. Indeed, the defection last week of the Hudson Motor Car local, reported to be the largest automobile unit in the Federation, suggests that perhaps the leaders have hesitated too long already.

What the decisions of the Executive Council should encompass must be pretty well known to everyone who has followed the experiences of labor during the past year. But whether the Council, admittedly composed of conservative officials (President Green's "radical" statements notwithstanding), will have the courage to make these decisions is another matter. Will they have the courage to propose a shift in the direction of industrial unionization—away from trade unionism, pure and simple, to mass organization along industrial lines? Will they back this up with an aggressive membership campaign? And will they give these newly organized industrial unions a permanent, independent status free from the threat, as at present, of subdivision into crafts?

To raise these questions is to suggest the great change that the Executive Council must make in established policy. But judging by the "educational program" now in preparation in Atlantic City, it is a change they are as yet not ready to make. As reported by Louis Stark in The New York Times, the Federation, with its educational work, will seek during the next year:

> to "digest" the massed groups of workers attracted to the unions since Section 7a became part of the Recovery Act. The effort will be made to inculcate in them a spirit of trade-union discipline, impressing upon them the general outlines of trade-union policy so that the new leaders may efficiently represent labor at wage negotiations and before the public.

Certainly nothing could reveal more clearly than this the fear of the existing international unions that they might

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lose their dominating control, should the Federation grow too fast. And certainly no better explanation has been made of why the Federation has shown so little initiative in organizing the mass of workers during the past year. (Except in coal and textiles its membership has not grown impressively, while in the manufacturing field, company unions have grown nearly five times as fast.) But this hardly seems the type of policy calculated to gain, and certainly is not the policy to hold the allegiance of militant workers during the next year.

Equally important, of course, from the point of view of organization, is the Federation's attitude toward collective bargaining. Can it discard the notion that workers and capitalists are just one happy family and bring itself to recognize that a collective bargain is, in reality, only a truce in the class war and must be regarded as such? President William Green suggested almost as much when, on the eve of the Atlantic City meeting, he hinted that it might be necessary for society to take over the means of production. The statement sounded convincing enough to frighten at least the conservative press into writing editorials denouncing his heresy. But only a few days later he declared that the American Federation of Labor was prepared to rid its ranks of all Communist adherents. So even on this score there seems little change in sight—as yet, that is.

But perhaps Mr. Green will study the report of Commissioner George E. Allen of Washington, D. C. Mr. Allen found, after mingling with the unemployed for a week—as one of them—that what following the Communists have "is gained principally because they will listen to people who are down and out and will work for them and fight for them." The A.F. of L., by and large, has yet to reach the fighting stage. The coming year may be its last year of grace.

The N.R.A. is still having an unhappy time over the Harriman (Tennessee) Hosiery Mills dispute. More than two weeks have passed since General Johnson ordered that the outrageous settlement, negotiated by his assistant, A. R. Glancy, should be canceled, but no action has been taken. The terms of the settlement, it will be recalled, virtually deprived the 300 strikers of their jobs and completely repudiated General Johnson's promise to the workers. When he was informed of this, he immediately telegraphed his administrative aid, Colonel G. A. Lynch, to take the company's Blue Eagle away again unless it agreed to reëmploy fifty of the strikers immediately. However, Colonel Lynch —once described by General Johnson as having the "most brilliant mind in the army"—is reported to have approved all the terms of the Glancy "settlement." Apparently, any further action—if any there is to be—must come from the General himself.

In six states, according to the International Juridical Association, the courts have recently held that persons engaged on work-relief projects are not entitled to the benefits of workmen's compensation laws. These decisions are based on the general theory that the unemployed, even though working on relief projects, remain none the less wards of the state, that is, paupers. Clearly, this marks an extraordinary reversion to the poor-law tradition from which it was at least to be hoped that American social thought had emerged. More important, it emphasizes the urgent need for revising present state compensation laws; for, obviously, if the burden of injury or death is to be placed on the unemployed worker and his family, this only increases the likelihood of their ultimate pauperization.

"In a nation of ten to fifteen million unemployed," declares the Association, "there can be no doubt that a new economic situation exists in which workmen's compensation for relief workers is no less a social imperative than it is in the field of private industry." Slight difficulties, however, lie in the way of amending the laws of some forty-five states (the others have no compensation laws at all). If the government were to require the inclusion of relief workers under the compensation laws as a condition to furnishing federal relief funds, some of the difficulties might be materially lessened.

WILLIAM P. MANGOLD.

Texas Lights: VI

I. Strike in California

A NEIGHBOR here has just shown me the coffin plate of an ancestor of his, Hiram Pond. The plate measures four and a half inches, perhaps, and has a beaded edge. Time, however, has dealt candidly, or shall we say sincerely, with it, for the brass base is exposed in many places. Where the silver is, the coffin plate shines bright, for it lives in a cabinet of curios along with ivory fans, miniatures and gold boxes. My friend explains, however, that he has the coffin plate only because his Auntie, when the old house in Connecticut was broken up, picked it out of a rubbish heap. It would by rights go, if he cared anything about it, to a direct descendant of Hiram Pond who is at present an eminent citizen of San Francisco, where he is handsomely engaged in shipping. At least up to the last month or so he seemed in the very pink of financial perfection.

Telling you more about the plate, my friend says that it was the custom of his ancestors always in those good old days to place on the coffin of the deceased a plate bearing the name and sometimes dates and other matters; but that it was equally customary, while the last hymn was being sung or some honorary testimony in course, for the undertaker to tip-toe in and whisk off the plate. The Ponds were not the sort to put such a thing in the ground as a silver plate, and at that it was brass.

Reading the San Francisco news not long ago, I suddenly found myself thinking of Parlange in Louisiana. The pictures of this lovely old house, built by Marquis Ternant soon after the middle of the eighteenth century, are to be seen here and there, as for example in Mr. Lyle Saxon's "Old Louisiana." But a lawsuit happened in that family which may serve to illustrate or bring to notice another burial custom. It was a custom at one time not uncommon in that part of the Deep South to bury the dead with their jewels.

You can see the Parlange tomb, nearly two centuries old, in the cemetery at New Roads. The records of the law-

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suit about the jewels are available to everyone, but the best account of it that I have seen is in Mr. Saxon's book. When the tomb was new, Madame Claude Vincent Ternant was buried there. Some years later her son, in need of money for his pleasures, perhaps, sold to a certain John Boudreaux all his rights, titles and interests in the succession of Madame Ternant. And then years after that, the tomb was robbed and the jewels carried away. But the robbers were caught in New Orleans, and the jewels, among which was a pearl necklace worth many thousands, were deposited with the Registry of the Court until the rightful heirs should come forward to claim them. Among the heirs came forward the pleasure-loving young man, but John Boudreaux also appeared. He claimed that he should have title to the portion of the heir whose interests he had bought. Naturally the contention of the son was that selling his interests in Madame Ternant's succession did not imply in any way his mother's tomb, and that whatever was in the tomb had been outside the transaction. At length, nevertheless, the court decided that when the son transferred his interests, that included everything that might eventually come into the succession, and so at last one heir's interest in the jewels went to Boudreaux.

I am not acquainted with the present head of the family, who lives at Parlange, sitting there in the old house with its avenues of trees, its labors and festivals, its deep nights. But I can only say that the manner in which the San Francisco strikes have turned my thoughts in his direction would surprise him. If I should meet him, I should be careful quickly to explain the sequence of thoughts suggested in this note: which is that San Francisco's labor riots made me think of her great Mr. Pond, which in turn brought me to that coffin plate, withheld from the grave, which by contrast brought me to those jewels, buried on the dead.

II. Among Annual Dinners

We have just passed, in a stroll along the street shaded with elm trees, the house of the first president of the University. My friend has been telling me stories of the house —some of the interesting things there in the past which time has brought to their due close. Among these things the one I find myself thinking about most as the talk wanders on, is that of the old colored man who used to live here. At the Battle of Shiloh, young Mr. Waggoner was so badly wounded that the Confederate doctors passed him up and left him where he was to die. With so many wounded to attend, they had no time to lose on such a case. But the colored boy, who was his bodyguard, would not leave it so. He said nothing, but carried off his young master on his back to the nearest town and hunted until he found a doctor. With the doctor's help he nursed him.

The young soldier lived, and when the war was over, he came to Texas and brought the Negro with him. Always after that the Negro had his little house on the grounds. And always on the day of the Battle of Shiloh, early in April, a dinner was served for him alone in the dining-room in the finest style possible to the family. He was seated at the head of the table and served by the two daughters of the house. This was done every year as long as the old man lived.

Stark Young.

CORRESPONDENCE

The Literary Life in California

SIR: Readers of The New Republic may be interested in a footnote to my article on the little magazines in your issue of July 25. In that article I referred to a story by Tillie Lerner as being the outstanding contribution among the two-hundred-odd stories found in all the magazines being reviewed.

Immediately after the article appeared, the editors of two publishing houses wired me asking for my aid in locating Tillie Lerner; they had read the story when it first appeared in The Partisan Review and had tried to locate the author, but their letters and telegrams had been returned. Since I did not know Tillie Lerner, I relayed this message to two individuals in Northern California, where, it seemed, she had been living. Unfortunately, just at this time General Hugh Johnson was frothing around California, calling on the local patriots to clean up the Reds—drive them out like rats, was his mischievous phrase. One of the messengers, I have been told, was captured in Sacramento, and has been in jail ever since. The other has simply disappeared. A lot of people have disappeared out here, Communists and others. The newspapers explain these disappearances by saying that the radicals are "in hiding." The fact is that they have *disappeared,* and until the repression is broken there will be no way of telling whether they managed to escape or what has happened to them.

There was, however, a good reason why the publishers who wanted to see Tillie Lerner's unfinished novel had trouble reaching her. She was in jail. She happened to be visiting some friends during that period when Johnson's patriots were running loose in the streets. Police raided the house. They beat up four young men they found there, and carried the six occupants off to jail—the four boys, Tillie Lerner (Theresa Landale) and another girl, Marion Chandler. They were suspected of being radicals. They were charged with vagrancy, with bail set at $1,000.

Meanwhile two more publishers and a literary agent were trying to locate her in order to see about publishing her novel. Perhaps, I ought to say that the author is twenty-one years old, married, the mother of a baby girl, and that the story that aroused so much interest was her first published work. She had been delayed in writing her novel because of illness—incipient tuberculosis —and had been rewriting the last part when the police interrupted her.

I mention this because I now feel that in my article I minimized the difficulties that impede the progress of the young writers. To the difficulties of finding hospitable publishers must now be added the problems of dodging the police and General Johnson's patriots if writers are to get their novels finished. In addition, I feel that this little episode regarding the treatment of writers in this country ought to be called to the attention of those critics, such as Max Eastman and J. Donald Adams, who have lately been beefing so much about the humiliation of Boris Pilynak, and the literary framing of Eugene Zamyatin.

San Francisco, Calif. Robert Cantwell.

A Tribute to Grace Abbott

SIR: Grace Abbott's resignation from the leadership of the Federal Children's Bureau ought not to be passed by without attention from the readers of The New Republic. . . . The initiation, under Julia Lathrop and Miss Abbott, of new high standards of intelligence and accomplishment in a government office will always remain a memorable chapter in American history. . . .

Certain ideals and policies of the Bureau have been established as basic and are not readily to be disturbed. It is the highest tribute to Miss Abbott that we can look forward to a continuance of its qualities by the wise selection of her successor. But whether Miss Abbott spoke for children or for mothers or as adviser in the League of Nations, her courage and her experience, the quality of her mind and her conscience, must remain unique. She leaves a heritage of which we may well be proud.

New York City. Lillian D. Wald.

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Socialized Medicine

SIR: Concerning Drs. Loos' and Ross' expulsion from the Los Angeles County Medical Society [The New Republic, May 30; letter of Dr. N. S. Zeitlin, June 27], your criticism at least shows a narrowness of view in striking contrast to the usual breadth shown in most discussions.

First, I might state that I am heartily in favor of some form of socialized medicine. Under the present economic system a large proportion of our population (at least 50 percent) is very inadequately supplied with medical attention, hospital and nursing care. A perfect plan for health and accident insurance would furnish at a low premium:

(1) Competent medical or surgical service; (2) hospital and trained nursing care when necessary; (3) all necessary drugs, dressings, diet, mechanical treatment, etc.; (4) proper compensation of the wage earner for loss of income due to disability; (5) assurance of adequate income to physicians, nurses and so forth, combined with reasonable security for the pursuit of their profession.

Such a complete plan could be administered only by the state; in other words, it would mean state medicine. It would involve the expenditure of a very large sum of money. In a state such as Ohio, with a million families, it would mean an annual budget of at least $100,000,000. The number of hospital beds would have to be greatly increased. The present supply of nurses would be entirely inadequate, and all medical men would have to work ten to twelve hours daily. But a plan like this seems entirely too Utopian. Our conception of social responsibility is not sufficiently advanced so that any state would attempt such a scheme.

The medical profession may appear selfish in its opposition to state medicine. But it is at least correct in its argument that such a plan invariably lowers the standard of the profession and of the service rendered to the public. That has certainly been the result in England, Germany and all countries where socialized medicine has been introduced. . . .

In the case of the Los Angeles group, 50,000 patients would mean less than 15,000 families, since the men with largest families would tend to take on the service. On that basis the gross annual income for one physician and two attendants would not be over $6,500 and the net below $5,000. If hospital service were included, the incomes would be considerably less. Such incomes would not be compatible with the standard of living which even the public expects of its physicians. It would not enable the doctor to buy medical journals and books, to join scientific societies and attend their meetings, or to take post-graduate courses, to say nothing of engaging in research. It would be a meager reward for efficient conscientious effort, for outstanding natural qualifications and for seven to eight years of grilling and highly expensive educational preparation. The plan would obviously degrade the quality of medical service, and would have to include mostly men of lesser ability and integrity. . . .

Even if it is true that a large proportion of our public cannot afford adequate medical attention, whose fault is it? Certainly not the doctor's. If our economic system is wrong, then change it, and don't pick on the innocent doctor. It is manifestly unfair to single out this one profession, which seems particularly vulnerable, by starting socialized medicine, while the big industrialists and financiers continue their large-scale depredations. . . .

Toledo, O. THEODORE ZBINDEN, M.D.

SIR: In his letter to The New Republic [June 27], Dr. N. S. Zeitlin makes certain points which, I think, lead to wrong conclusions concerning the efforts on the part of certain physicians to make the health knowledge which is known to the medical profession available to the community. Drs. Loos and Ross, in my estimation, have made an effort to place a necessary utility at the disposal of the public at a fair price, since the state has not yet seen fit to do so. This in itself is commendable and demands the careful consideration of the public before it is condemned.

Dr. Zeitlin insists that this will give full monopoly control of medicine to these two gentlemen. . . . He attacks the plan as a private monopoly, but at the same time ignores the fact that the so-called ethical associations are to a great degree monopolistic and have always been so. . . .

I can see no reason why a group of doctors working in much the same sort of a system as any group of university scholars (on a salary basis alone) cannot do the same fine work, on the same high ethical basis, as the work which is done consistently by such students. I cannot see the seriousness of the social disadvantages which will accrue if physicians become workers for corporations. I need only point out the numerous well known medical schools to show that the best medicine is taught and in many instances practised under corporate management. . . .

Medicine is in the same class as other public utilities and should be made available to the public on the same basis as education or any other service that is used in common by the entire community. Medicine, in a nation of large and congested population centers, needs to be made more available. Immediate health problems, which are always potential in congested areas, require the junking of the present haphazard system of medicine. . . . The community cannot permit individuals to ignore their health just because they are short of funds.

However, while I am heartily in favor of Dr. Zeitlin's insistence that the practice of medicine should not become a private monopoly, I do not advocate its continuance as a group monopoly. The control of medicine should more and more come under community control and all interested community groups should be represented on control boards which might be formed. I see no reason why medical associations should be given complete control to the exclusion of other groups, for their interest is no greater than other groups, and furthermore their present efforts to combat the trend toward community control reveals, it appears to me, a lack of knowledge concerning the social conditions of the period. . . .

Lake Erie College, Painesville, O. R. M. JOHNSON.

What Moved the N.E.A. Leftward

SIR: In Brent Dow Allinson's article, "The Teachers Move for Freedom," in your August 1 issue, the author expresses gratification that "something like a genuine democratic insurrection troubled the convention of the National Education Association" recently held in Washington. In explaining this "insurrection" the author might have mentioned the rapid growth of the American Federation of Teachers (affiliated with the A.F. of L.) as an influence which made it necessary for the "Chamber of Commerce" of teachers' groups to democratize itself.

Karl Lore's article, "Where Labor Is Organizing," in your issue of July 4, also failed to make mention of the rapid growth of the teachers' union. Since September, 1933, 15 percent of the classroom teachers of Ohio have formed fifteen locals, including Cleveland, Toledo, Akron, Youngstown, Springfield, and several smaller communities. The Cleveland local has enrolled 1,600 members since being chartered last February. This rapid growth has by no means been confined to Ohio.

KARL O. SUESSENGUTH,
Cleveland. Member, Local 279.

Extracts from Letters

THE Coöperative League, New York City, sends us an interesting description of an unusual strike of milk drivers and dairy workers in Superior, Wisconsin. On July 31 employees of the Russell Creamery Company struck for higher wages and recognition of the union. A coöperative creamery was just being organized in Superior and when the employees of the Russell dairy struck, according to the League, "instead of developing into an ordinary labor strike, the walkout became the final crystallization of a move to set up a consumers' organization." The drivers decided to go over to the coöperative dairy. They canvassed the customers on their routes. Almost all promptly joined the cooperative along with the drivers and inside men.

The Allegheny County Division of the Pennsylvania Unemployed League has organized a Labor School at Pittsburgh. The school will be grateful to receive spare books or magazines at Box 142, Uptown Station, Pittsburgh, Pa.

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BOOKS IN REVIEW

Angry Author's Complaint

W. SOMERSET MAUGHAM is utterly tired of being told that he is a "competent" story teller. He feels that the word is used superciliously. It gets under his skin like a chigger, itches and keeps him from sleeping, fills him with blind resentment against all the critics who apply it to his work. Nor does his resentment stop with them. He hates the lucky writers they praise, he hates the magazines that print their book reviews, he even hates people who read these magazines. I am not in the least exaggerating: every time one of Maugham's characters is seen with a copy of The London Mercury or The New Statesman and Nation, you can be quite sure that he will end by revealing himself as an unspeakable bounder. Years ago, when he wrote "Of Human Bondage," Maugham was praised by the highbrow critics of whom he now complains. He is like a boy who used to win prizes in school, and feels he is doing just as good work as ever, and wonders resentfully why he is given only a passing grade.

> There is evidently something [he says] that a number of people do not like in my stories and it is this they try to express when they damn them with the faint praise of competence. I have a notion that it is the definiteness of their form. . . . If I am right in this surmise I can do nothing about it and I must resign myself to being called competent for the rest of my days. My prepossessions are on the side of law and order. I like a story that fits.

I am quoting from his preface to "East and West,"[1] a big book into which he has gathered his thirty favorite stories, arranged chronologically. "Rain," originally published as "Miss Thompson," is the first, and Maugham tells us that it was written in 1919, at a time when he had already earned a considerable reputation as a playwright. The stage taught him, so he says, "to leave out everything that did not serve the dramatic value of my story. It taught me to make incident follow incident in such manner as to lead up to the climax I had in mind." But it did not teach him all of the story teller's art. His first efforts in the new form were theatrical, in the bad sense, and even though "Rain" is better than the others, it does not stand rereading; for once we know that the harlot is going to triumph over the missionary, we lose interest in both of them; they are wax figures without life of their own. Making people live in short stories is a different problem from making them live on the stage, and Maugham took three or four years to solve it.

One has vastly more respect for his recent work after reading the early stories in which he fumbled with human motives and tried to impress his audience by giving them surprise endings in the O. Henry manner (see "Red" and "Honolulu") and bucketsful of South Seas atmosphere sloshed on like whitewash. He doesn't have to use tricks today; he is easy, natural, convincing, and is, quite possibly, the best plain story-teller writing in English. Of course his method of narration has disadvantages which Maugham is ready to acknowledge. "It gives a tightness of effect that is sometimes disconcerting. . . . Sometimes it gives you a sensation of airlessness when you see persons who behave so exactly according to character, and incidents that fall into place with such perfect convenience." This may indeed be the reason why many critics call his work "competent" with an implied sneer, but I suspect that there is another reason, too, which Maugham doesn't mention.

This other reason has nothing to do with his manner of handling plots. It bears some relation to his subject matter, but only indirectly. For the most part Maugham writes about Englishmen of the upper middle class, particularly those who carry the burden of empire in Borneo and the Malay States. They are, if we can trust his description, people as dull and narrow as one could imagine meeting at the edge of the jungle, but he likes to ferret out the moments of sudden drama in their lives. "I'm afraid you'll think it awfully strange of me to talk like this," one of them says. "I'm at the end of my tether. If I don't talk to somebody I shall go off my head." And so he talks—they all talk, they tell of living with native girls, committing or condoning murders, and the author listens—"I held my breath," he says, "for to me there is nothing more awe-inspiring than when a man discovers to you the nakedness of his soul." The souls they reveal are mostly unbeautiful and suburban, but the women are at least more vivid than the men, and a few of them are creatures splendid in their fury. They lie, they deceive their husbands (and perhaps cut their throats with a Malay parang), they commit incest, they empty revolvers into their lovers, and they do everything with an admirable lack of moral compunction. They are fine sullen animals, like some of the women portrayed by Racine—and there is reason for mentioning his name, since Maugham has studied him to advantage and has managed to recapture in some of these stories (especially "The Book-Bag") the effortless strength of a Racinian tragedy. But all this doesn't explain the quality we are seeking. Racine was a craftsman still more careful and economical than Maugham, yet he has not often been attacked on the grounds of competence.

No, there is something else in this book that ends by making some of its readers impatient and angry with the author, even though they started with the friendliest feelings. It is a quality hard to define, one that belongs, I think, to the moral background. Reading these thirty stories one after another is like sitting for a long time in a room where people are playing bridge and gossiping in even voices. The room may be east or west, in London or Singapore, but the people in it are always the same: they are the Britons of good family who administer the Empire under the direction of its actual rulers. They know what is done and what is not done. They know, it has never entered their mind to question, that a wise Providence has ordered them to bathe every morning, play tennis every afternoon, travel first-class on steamers and transform a corner of the jungle into something that might be mistaken at first glance for an English suburb. They cannot imagine a state of society in which they, the pukka sahibs, would no longer be called upon to rule the inferior races firmly but with a proper benevolence.

Here Maugham is at home. . . . It would be wrong to pick a quarrel with him for writing about these people, since an author is wise to select the subjects that he knows best. But it is a little shocking to find that he shares their

[1] East and West: The Collected Short Stories of W. Somerset Maugham. New York: Doubleday, Doran and Company. 977 pages. $3.

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prejudices against rebels and intellectuals and people who travel second class or have a dash of native blood in them. He wasn't like that originally, not if I remember "Of Human Bondage." It is still worse, however, to find that after living among these people and becoming one of them in spirit, a self-made philistine, he really doesn't like them. He has no sympathy for his characters, but only tolerance mingled with easy cynicism. His stories are full of wise saws, of the sort that are spoken by old broken men in chimney corners. "It is strange that men, inhabitants for so short a while of an alien and inhuman world, should go out of their way to cause themselves so much unhappiness." Well, it is strange, isn't it? "Mostly human nature is both absurd and pitiful, but if life has taught you tolerance you find in it more to smile at than to weep." Well, you might get angry for a change; and perhaps you might find that remarks like this are the best clue to the quality that makes Maugham's stories disliked by so many readers. If he insists on being patronizing, smugly and insultingly tolerant toward humankind in general, he can scarcely complain because the critics are supercilious toward a single member of that absurd and pitiful race.

MALCOLM COWLEY.

The Price of Peace

Property or Peace, by H. N. Brailsford. New York: Covici, Friede. 357 pages. $3.

AS MY typewriter clicks out these words there lies beside it on the table the current issue of the daily paper, bearing the news of the assassination of Chancellor Dollfuss, and Mussolini's preparations for war. The magazines that have just appeared at the mid-monthly period have carried articles on "Twenty Years After," and similar themes. I am sitting on the shore of a New Hampshire lake, where the nearest approach to struggle is the scuffle of a bunch of youngsters on the float to see which can push the other into the water. But I suppose that in the centers of business and political life there is agitated discussion of the possibilities of another World War, and when the next newspaper arrives I may read that it has already begun.

I have just finished reading Brailsford's new book, and am trying to analyze and classify the emotions with which it has left me. Here is a frank and sincere plea for a complete reorganization of the social structure, both nationally and internationally, based upon an intelligent, informed and penetrating interpretation of the outstanding features of contemporary economic and political life. The plea is couched in terms less of right and justice (though these are not ignored) than of stern, inexorable necessity. The author demonstrates clearly the inseparability of economics and politics, and shows how dishearteningly futile are hopes and efforts toward world peace as long as an economic system prevails that is based upon competition and leads inevitably to conflict and exploitation.

The book really has two theses: first, that machinery and surplus productive capacity have made it impossible to maintain order and tranquillity under the ægis of the individualistic-competitive principle; second, that no organization for world peace can succeed that is not endowed with authority, and equipped with instruments of force adequate to make that authority efficient against any recalcitrant political unit.

Mr. Brailsford claims no special standing as an economist, and in the treatment of economic factors there is little that is new in the sense of never having been said before, but a great deal that is new in the sense that it has not yet been fully grasped except by a handful of emancipated thinkers and analysts. The author comprehends the basic causes of economic chaos clearly and sets them forth convincingly. He understands the devastating nature of the search for competitive money profits in a world where such profits are a physical and mathematical impossibility. He leaves no doubt as to the suicidal character of the compound-interest principle as expressed in the progressive struggle to save and invest. He recognizes that the only basis for enduring prosperity is an abundant purchasing power in the hands of the general populace. What is unique about Mr. Brailsford's treatment is the unsparing logic with which he follows his evidence and his arguments to their manifest conclusion in a highly socialized economic order.

When Mr. Brailsford turns to the question of international organization, and the League of Nations in particular, one cannot escape the poignant feeling of regret and sadness with which he admits the failure of the League to fulfill its major function as an arbiter of world peace, and points out the defects that made this culmination inevitable. But he stands on firm ground when he insists that no such agency can be effective unless its scope includes economic as well as political functions, and its authority is backed by power. If there is one well established principle in sociology it is that the area of control must correspond with the area of relationships, particularly the economic.

So Mr. Brailsford arrives at a World Federation of socialist states as the only efficient medium for lasting peace and sound prosperity. He supplies abundant details as to his vision which must be passed over in the present connection. The crucial questions that remain are: Now that competent experts agree quite fully as to the basic causes of economic futility and collapse, can this understanding be spread among the common people widely enough to serve as a basis for political action? (The author is convinced that in countries with a democratic framework only constitutional means should be contemplated.) Assuming that understanding can be made adequate, will the masses be able to conquer prejudice, individual and class interest, fear and inertia sufficiently to do the things they know ought to be done? It all seems far away from this New Hampshire lake and yet—on the answers hangs the destiny of the world.

HENRY PRATT FAIRCHILD.

After the Curtain

Three Plays, by S. N. Behrman. New York: Farrar and Rinehart. 335 pages. $2.50.

MAETERLINCK, in a discussion of the theatre, once said that the playwright would do well to work with the library in mind rather than the stage. This was no criticism of the theater's attempt to stimulate by means of the fun, the emotion from the spectacle, the human contact. More likely it was a protest against contemporary theatrical shallowness. He knew that the library would act as a corrective, as a means of destroying that which is false and leaving that which is basically true. At any rate, the theatre would obviously benefit if the playwright would take his eye off the box-office long enough to glance occasionally at the demands of posterity, which in the long run seem to be remarkably good.

In "Three Plays" Mr. Behrman, one of our most successful playwrights, offers the reading public "Serena Blan-

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dish," "Meteor," "The Second Man." The first is adapted from the well known English novel and is certainly his best work, though, in contrast with the other two, it is published here for the first time. It is a disturbing play. A happy mingling of fantasy and tragedy moves up and down the scale until a genuine finished tone is produced. The result is poetic, shaped though it may be like prose. It has the epitomizing, the mysterious yearnings and the flavor or tone of good poetry. Serena herself as a human being is a good plot. "Meteor" resolves itself around an egocentric Napoleon of the American industrial boom era. It is clumsily written entertainment. The characters are dragged in, pushed around and forced to make disquisitions that are never quite adjusted to them. As a social document it is mere presumption. "The Second Man," probably the most representative Behrman play, is clever and very often intelligent, has many expertly turned lines, and is consistently amusing.

But these three plays are of most interest as typical instances of the faults and virtues of our American theatre. They have a wit, a certain expert handling of the medium, and they tell stories that please. As theatre dealing only with the topical, the fashionable, Mr. Behrman's plays—by their acclaim at least—are fine. The enduring, the fundamental, the directly human qualities of his work are quite another matter. In a way his main defect is indirection. His excellence, on Broadway, is the sense we get of his having read a book. BYRON MCGRATH.

Red China

The Chinese Soviets, by Victor A. Yakhontoff. New York: Coward, McCann. 310 pages. $2.75.

THE RISE of a Chinese Communist state, larger in area and population than any European power, has been attended virtually by a conspiracy of silence in the Western world. Now within only a few months—in Agnes Smedley's "Chinese Destinies" and in the book under review—the Soviet movement in China has found two historians.

Communism in China has undergone two distinct phases of development. The revolutionary debacle of 1927—magnificently treated by André Malraux in "Man's Fate"—marked the end of the first phase. In consequence, Borodin and the other Russian advisers left China; Chiang Kai-shek set up the counter-revolutionary government at Nanking; and Communism was largely driven underground. Following the abortive Canton Commune (December 11-14, 1927), a remnant of some 4,000 Communist troops, led by Chu Te and Mao Tse-tung, withdrew into the inaccessible regions of southwestern Fukien. From this time dates the formation of the Chinese Soviets, marking a new phase of Communist development, one exclusively under Chinese leadership and relying solely on meager native resources. A period of steady growth was signalized to the outside world in 1930 by the capture of Changsha, from which the Communist forces were ejected only by foreign gunboats. On November 7, 1931, the provisional government of the Soviet Republic of China was established at Juichin in southern Kiangsi, with Mao Tse-tung as President. Since 1930 Chiang Kai-shek has thrown half a dozen major attacks against this government, utilizing at times several hundred thousand troops in a single campaign. From each attack the Chinese Soviet regime has emerged strengthened by deserting Kuomintang troops and by captured ammunition, rifles, machine guns and even airplanes. Today it boasts a regular army of 350,000 men, unexcelled in China for discipline and morale; while the administration of the various Soviet areas is solidly based on a Communist party membership of 400,000.

Although handicapped by inability to investigate the Chinese Soviet areas at first hand, the author has assembled a large and valuable mass of information. From Moscow and Shanghai he has brought back much material that is new, including letters written from the Chinese Soviet areas, as well as a number of laws and proclamations of the new Soviet Republic. The Constitution, the Land Law and the Labor Code, constituting the first three appendices, supply convincing reasons for the enthusiastic mass support that forms the chief prop of the Chinese Soviets. Especially rewarding of careful study is the final 35-page appendix, which includes extracts from the report of President Mao Tse-tung to the Second National Soviet Congress, convened at Juichin on January 22, 1934.

Any such thorough analysis of this movement as General Yakhontoff's brings out two primary impressions. The first is that of the solid progress made in the face of practically insuperable obstacles, of achievements communicating the electric feeling that here the Chinese society of the future, free of the multiple evils of a profit-driven economy, is being slowly and painfully constructed. The second is as clear, but in a negative way: it is that of the role played by the imperialist powers in upholding Chiang Kai-shek's rule at Nanking. For each of the foreign powers Chiang performs the function of keeping the Communist menace at bay, and in this task he receives their united support, especially in the shape of modern death-dealing equipment contributed to the anti-Communist campaigns. Not the least of Chiang's support has come from the United States, which was not averse to advancing a $50,000,000 credit to Nanking, which dispatches its gunboats to ports threatened by a Communist advance (as now at Foochow), and which has supplied Nanking with the bulk of its airplanes, with American training pilots, and at present (it is reliably reported) with combatant American flyers in the current anti-Communist operations. General Yakhontoff's concluding statement that, were foreign help withdrawn, "most, if not all, of China would 'turn Communist,' probably within a very short time" is so near to sober truth that only a miracle could effect such withdrawal. T. A. BISSON.

Angry Man

One-Way Song, by Wyndham Lewis. New York: The Holliday Bookshop. 132 pages. $3.

THE SUBJECTS of these five poems—which might just as well be considered a single satire—are three: Wyndham Lewis, Society and Time. This is a familiar Lewis formula. But two new and significant quantities are to be recognized within the crowded sentences of his clever, though real, agony. In the first place, Lewis seems to be trying to reach a wider audience; in the second, he has added Karl Marx to the list of his windmill opponents. "I can write Limbo with the best of men," he says, half mocking himself and half cursing the earth, and "I hurl myself through Time." He uses the word "I" forty-six times in three pages, by count. It is a slim word to stack up against the wreckage of past and present literature, against that wreckage of all earthly thought, manners and organization which Lewis attempts to produce by his heavy-handed slinging of corrosive and self-strident sentences. In all this he imagines himself a kind of Horatio, taking on all comers; but no one actually opposes Wynd-

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ham Lewis. He is a blindfolded boxer in a battle royal, swinging at the air. Along the way, he produces new monsters—The Enemy, Backs, Fronts, One-Way Song—but his favorite, Time, emerges as the elephant of his bug-house zoo. Like Aldous Huxley, Lewis is too brilliant for his own good. His vaulting opinions describe their arcs, rebound to the brain that produced them and fall off, light and dry and meaningless. All that we understand of him, as this book of his slaps shut, is his brilliance and his anger, his irritability and confusion; and all that we lament of him is his waste. JAMES NEUGASS.

Mencken on Morals

Treatise on Right and Wrong, by H. L. Mencken. New York: Alfred A. Knopf. 350 pages. $3.

MR. MENCKEN'S excursion into ethics reminds one of the German's definition of a picnic—the longest way round to an inn. It is an agreeable enough commonplace book, and Mr. Mencken arms it with a preface bristling with disclaimers; but one cannot help wondering why, if Mr. Mencken's purpose was not to write a systematic or careful treatise on ethics, he was moved to write about ethics at all. Moreover, in addition to eschewing a "systematic treatise," he frankly and somewhat astonishingly admits that he avoids the labor of trying to define "such concepts as right and wrong, good and evil, moral and immoral, sin and virtue," on the ground that such labor seems to him useless. And he further adds that he has a profound repugnance for metaphysics.

The exclusions are willful and drastic, and they leave Mr. Mencken little scope save the historical. Granted that a "popular" history of ethics would be a useful thing, it must be questioned how helpful it can be if it is so careful to avoid all attempt at definition or analysis. Mr. Mencken claims to have given "more attention than is usual to the moral ideas and practices of so-called uncivilized peoples," a claim hardly borne out by his book: he does indeed give us a good deal about the early Jews and Greeks, and a few odds and ends of primitive tribes are mentioned: but this is quite obviously a very meager historical survey, and even if he had given it a greater anthropological completeness it would still fail to be good "history" because it fails to examine *causes*. The history of ethics is in a sense always contemporary, because it is a history of behavior. The interesting and essential part of it is the genetic or dynamic part—the *why* underlying the particular habit or custom of the particular time and place: the psychological principles underlying law and tabu. In this regard man is a constant; what is true of him today was always true; and the most fruitful study of his ethics must therefore be a functional and psychological one. Mr. Mencken gives us a great deal of mere "fact," some of it amusing enough, some of it pretty familiar, but in avoiding all effort at a socio-psychological study of origins he gives us in the upshot a very hollow sort of structure. Several of his side-shows are entertaining—his opinion of poets is characteristic and peculiar, his excursions into religion are always good fun, and his suggestion that the Freudians and behaviorists deal almost exclusively with "pathological states" certainly gives one pause.

It is precisely in the direction indicated by Freud and his followers that one would like to have seen Mr. Mencken go exploring; and to consider this is to recall a brilliant and much neglected book by E. B. Holt, "The Freudian Wish." Holt works out a very neat and practical ethics on the basis of Freud's concept of the wish: in the sense that it affords the most satisfactory dynamic explanation of ethics, of its social and psychological function and mechanism, it is the completest *history* of ethics.

> What is new [says Holt] is that Freud shows what in the concrete case the mental mechanism of wise dealing is. It is the establishment through discrimination of consistent and not contradictory (mutually suppressive) courses of action toward phenomena. The moral sanction lies always in facts presented by the phenomena; morality in the discrimination of the facts. . . . This is, of course, an ethic "from below." For such a view morals evolve and develop; they grow, and are a part of the general growth and evolution of the universe. . . . Much remains to be learned, but in this learning it may be that the suppression-discrimination formula for wishes, which we have been studying, will serve somewhat as a talisman.

A little invidious to Mr. Mencken, but it is hardly an exaggeration to say that in these few sentences there is more clear thinking than in the whole of Mr. Mencken's book. It is perhaps fairer to remember that Mr. Mencken's aim is neither definition nor metaphysics, but a mildly informative entertainment. CONRAD AIKEN.

Our National Ledger

The Measurement of American Wealth, by Robert R. Doane. New York: Harper and Brothers. 242 pages. $4.

THE IMPORTANCE of statistical measurements in economics consists in the inferences that can be derived from them. In the present book, the author has labored chiefly to compile and arrange statistical materials rather than to tell what they mean. A final chapter of "conclusions" may be dismissed as of little consequence. Time series purporting to measure American wealth, expenditures, income, savings, profits, losses and debts (running, in some cases, as far back as 1860) are presented in sixty-nine tables and ten charts. The tables analyze the several subjects both in summary and in elaborate detail. The accompanying text is a generalized description of the trends exhibited by the data. In the range and variety of statistical materials it offers, this book probably is the most ambitious and the most pretentious compendium ever produced by one man's hands.

Mr. Doane apparently does not recognize any clear limits to the extent of statistical knowledge. Where other statisticians have admitted their inability to obtain exact measurements, Mr. Doane has achieved a precise quantity. Thus—to cite examples from numerous cases—he gives astonishingly exact figures for "gross receipts by consumers" in 1860, and for "expenditures for recreation" in the same year. It is not possible to glean, from the notes pertaining to the tables, the sources from which Mr. Doane obtained these items of information, or the methods he employed in condensing his source materials into neat and exact numbers. Sources are cited in generalities such as: "Reports of the U. S. Treasury Department" or "estimates based upon Bureau of Agricultural Economics figures." Because of this inadequate documentation as to both sources and methods, economists will not be able to depend on Mr. Doane's data for the serious purposes that should be aided by such compilations.

There are instances in which common-sense judgments by informed people probably would be more accurate than Mr. Doane's figures. He presents, for example, statistics

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of "per-capita wealth," his original figures having been corrected for price changes by the application of a general-price-level index. The "corrected" series shows that the per-capita wealth of this country was five percent less in 1929 than in 1913, and 30 percent less in 1932 than in 1929. Since the index purports to measure changes to the inventory of valuable things and not changes in the values of the things, the figures obviously are not correct. In another table, "comparative estimates of the total world wealth in 1929" are presented. The United States is shown to possess 44.8 percent of the world's wealth. Among the other countries, France is credited with 5.3 percent, China 6 percent, India 3.2 percent. These figures simply are not correct, and they lend an easy air of exactness to estimates that are both inaccurate and incomparable.

In the very first of his tables, Mr. Doane adds up the values of all tangible classes of wealth in various years to get a figure for "total wealth" for each year. From "total wealth" he deducts all "liabilities." The remainder he calls "net worth." This is an error in rudimentary logic. The "liabilities" are merely claims against the wealth and, in so far as these claims are held by Americans, they do not reduce the value of the total American inventory of valuable things. Since bank deposits are included as an item of wealth, a deduction should be made for bank credit outstanding. "Liabilities" means, in this instance, all indebtedness.

It is regrettable that so much time and energy were expended in producing a mass of unreliable statistics. It will be even more regrettable if students of the subjects treated by this book adopt these statistics as accurate or authoritative. HORACE TAYLOR.

Books in Brief

The War for the Land in Ireland. By Brian O'Neill. Introduction by Peadar O'Donnell. New York: International Publishers. 221 pages. $1.50.

THIS HISTORY of the Irish agrarian struggles is a compact and informative volume, its statistics and factual records enlivened by the indignant and candidly one-sided comments of the author. Brian O'Neill traces the development of the conflicts between landlords and peasants, with attention concentrated on the various forms the conflict assumed at different historical periods, down to the present effort of the Communists to unite the farmers and the urban proletariat. It is a history of stubborn fighting and repeated betrayals by middle-class leadership: again and again the conflict of tenants against landlords was diverted into a struggle against England. While the Fenians were training as purely military bodies and deserting the day-to-day fight against evictions, "Irish landlords . . . enjoyed a decade of almost uninterrupted peace from agrarian troubles." The bravery of the Fenians "when they did rise could not compensate for the mass backing which they had sacrificed by forcing their organizations to separate themselves from rural struggles." Brief characterizations of such little-known leaders as Lalor and Davitt, with full quotations from their writing, increase the value of the work for American readers. R. C.

Wine and Physic, by Alexander Laing. New York: Farrar and Rinehart. 157 pages. $2.

Mr. Laing, who has won some attention as a poet and novelist, here ventures into the field of philology, with six essays and a rather long poem designed to put to rout Joyce, Stein and their camp followers. The essays are entertaining enough, but Mr. Laing says little that has not been said by others before him, and he has the annoying habit of wandering from the subject at hand. Among American writers he admires Mr. Dreiser, for his attempts to preserve "the living rhythms of healthy speech." His chief bugaboos are William Faulkner and John Dos Passos, who, says Mr. Laing, are dispensers of "Joyce-and-water," and Ernest Hemingway, whose method "illustrates the amount of tampering which normal English prose can sustain and still be thoroughly intelligible to a large reading public." The poem is allegorical in the manner of Milton, even to the marginal prose interpretation that accompanies it. L. B.

Rossini, by Francis Toye. New York: Alfred A. Knopf. 286 pages. $3.75.

Mr. Toye is not one of the people who think a concert of the New York Philharmonic-Symphony Orchestra is desecrated when Toscanini plays a Rossini overture. He has a high regard for Rossini's talent and for his actual achievements, a regard that other musicians have also expressed—not only Toscanini and Beecham, but Wagner, who referred to Rossini as "the only person I had so far [1860] met in the artistic world who was really great and worthy of reverence." That Rossini did not achieve more with his gifts Mr. Toye ascribes to the conditions under which he worked, and to the defects in his character. But his accomplishments are sufficiently remarkable to justify a study of his life and his music. And Mr. Toye's study is a very fine piece of work. B. H. H.

Your Germs and Mine: The Story of Good and Bad Microbes, by Berl ben Meÿr. New York: Doubleday, Doran and Company. 414 pages, illustrated. $2.75.

The popular interest in bacteriology aroused by Paul de Kruif's "Microbe Hunters" will be excellently served by this volume, in which the subject is presented both from the scientific and the social point of view. Not content with anecdotes and mere scraps of information, Dr. ben Meÿr relates bacteriology to its historical backgrounds and to the immediate practical problems of daily life. Sanitation, water supply, milk and sewage; microbes in industry, in peace and war; resistance, infection, immunization and therapy; tuberculosis, influenza, leprosy, malaria, syphilis and a host of other bacterial ailments—all these things are discussed with great good sense, in very readable style and (no small advantage in so difficult a field) with a specialist's regard for caution and accuracy of statement. Several appendices of a more technical nature and an unusually full index add to the value of a contribution to popular science which deserves a large and appreciative public. H. W.

Sun on Their Shoulders, by Elizabeth Eastman. New York: William Morrow and Company. $2.50.

With the aid of his wife Lisi, and later his three sons, Heikki Ranta had saved and toiled and planned until now, thirty years after coming over from Finland, he owns many of the finest cranberry bogs on Cape Cod. But Heikki is growing old and, sensing that his sons have not the same devotion to the land, he deeds all his acres to them in the hope that ownership will hold them. Instead they sell the entire farm secretly to his competitor. This soil element in "Sun on Their Shoulders" is excellent; the most interesting passages in the book are those dealing with the construction of the bogs and Heikki's passionate concern for their wel-

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fare. The upright, stalwart characters of the two old people are also finely portrayed. But Miss Eastman has not been so successful with the younger generation, who seem to have been thrown to the lions of melodrama for the sake of working the story up to a grand climactic curtain.

E. S.

Breathe Upon These Slain, by Evelyn Scott. New York: Harrison Smith and Robert Haas. $2.50.

A novel about English life, and a full one. Miss Scott is living in a cottage and, intrigued by the clues it has to yield to the Penetrating Novelist, can't help reconstructing the life of a mother and father, their servants, their children —the last named being of the War generation, roughly. Tilly dies young, Ethel (sensitive, skeptic) marries with small luck, Cora marries position, Meg becomes a spinster and sour. Bertram, first in the Indian Service, later dies in the War, during which father is implicated as a spy and commits suicide. Ethel's son Pat becomes class conscious, furthering his mother's questioning attitude and the author's wish to show a dying generation and its dying ideals, as background for the new deal of social responsibility. With the exception of some of the servants—also Miss Scott's restraint in handling tremulous baffled girlhood—the novel is thinly characterized. There is too much of deduction, of pride in the creation of painfully usual minutiae. Barring the delicate and vivid imagery of its nature moods, the writing is heavy with striving for portent. In such chapters as that on the Courtneys' Christmas, it is no better than the worst sort of clumsy.

O. F.

The Pageant of Chinese History, by Elizabeth Seeger. New York: Longmans, Green and Company. 402 pages. $3.

This is a history of China for young readers which emphasizes social and cultural development rather than political narrative, and which is further commendably unusual in proportioning the record properly and not giving, as most histories of China do, a major share of space to the period of contact with the Occident. The author's good intention has so far succeeded as to make her book better than the average child's history of a nation, but she lacks those sheerly literary gifts of intensity and style which might have made the book a pleasure to the reader rather than a relatively pleasant duty to the student.

I. S.

Contributors

MAX LOWENTHAL, a New York attorney, is the author of "The Investor Pays," a study of the St. Paul Railroad reorganization.

CAREY MCWILLIAMS is a Los Angeles lawyer, the author of a biography of Ambrose Bierce and of numerous literary and critical articles.

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T. A. BISSON, for four years a teacher of English in China and co-editor of The China Outlook is a specialist on Far Eastern affairs on the research staff of the Foreign Policy Association.

JAMES NEUGASS, a mining engineer by profession, has contributed poetry to The Dial and other magazines.

CONRAD AIKEN, who received a Pulitzer award in poetry and holds a Guggenheim fellowship in creative writing, is now in England.

HORACE TAYLOR is a member of the Department of Economics at Columbia University.

The initials signed to the brief reviews are those of Robert Cantwell, Laurence Bell, B. H. Haggin, Harold Ward, Edwin Seaver, Otis Ferguson and Isidor Schneider.

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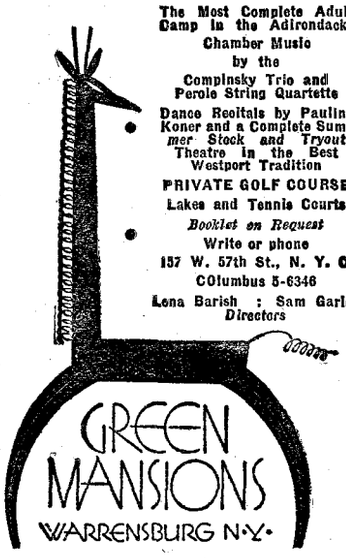
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